

VILLAGE OF OAKWOOD  
COUNCIL HRLMC MEETING MINUTES  
January 12, 2021

PRESENT:

**Johnnie Warren** – Council President\*  
**Chris Callender** – Ward 1  
**Eloise Hardin** – Ward 2  
**Jim Climer**-Law Director

**Elaine Gaither** – Council at Large\*  
**Melanie Sanders** – Ward 3  
**Patricia Rogers** – Ward 4  
**Candace Williams** – Ward 5  
**Mark Garratt** – Police Chief

ABSENT:

*\* Arrived after roll call*

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**Hardin** opened meeting at 6:13pm

Pledge of Allegiance

Attendance Taken

*Technology Use Policy*

**Climer:** One minor revision as previously written, theoretically proposes to prohibit anything to access newsrooms, chatrooms, etc. We have cleaned it up to say, you can't use Village technology to do that. Exhibit A has something about probationary which has been stricken. On page 75 it disputes Village laptop issues resolved by a vote of Council. It references 2012-18. **Hardin** asked him to read the entire statement. **Climer** read, "Members of Council who have been assigned laptop computers and/or iPads for their exclusive use at home are permitted personal use of these computers which do not interfere with the use of these computers for Village purposes. Any issues related to the interpretation of this paragraph shall be resolved by a majority vote of all members elected to Council (2012-18) passed April 24, 2012" **Hardin:** Does that refer to how they are disposed of when it is time to upgrade? **Climer:** I don't believe there is a reason to deal with that in this policy. (Climer brought up 2012-18). I will review this ordinance to ensure it is consistent with the handbook and get back with Council at the next meeting. Page 76 inserted in addition clarifying prohibited use of Village resources to access internet toward chatrooms, etc. On page 77, it addresses gambling as a prohibitive use of Village resources.

*Travel Policy*

**Climer** suggested deleting .32 cents per mile for mileage reimbursement purposes and inserting IRS per-diem rate. **Clerk:** The IRS per-diem rate is calculated for nearly every large city in the U.S. **Climer** discussed overnight stays. An employee shouldn't have to ask just to leave the Village to go to the next town. **Hardin** asked what he suggests. **Climer:** We have to get permission to have an overnight stay, but I will propose language.

*Cellular Phones*

**Climer:** We passed an ordinance to follow state law. **Hardin:** What are we saying here? **Climer:** This happened prior to me coming to the Village. **Hardin** asked if there is a form. **Climer:** There is a form. **Clerk:** There is a policy in place. I can pull that tomorrow and send it to the committee and Jim. **Hardin:** What does the budget have to do with the policy **Climer:** I suspect it has to do with the cost of the phone. **Williams:** This is not very clear. **Climer:** I can clean the language up. **Hardin:** I don't know how the phones are handled or monitored. We will clarify the procedure. **Climer** asked for the form to be sent to him to review. **Hardin** asked if we have pagers. **Garratt:** We don't have any. **Climer** suggested leaving that in just in case. **Garratt** asked about the middle paragraph referring to employees exercising extreme caution when driving and talking on the cell phone. That should be updated. **Williams:** I have the same idea. **Climer:** Are we suggesting a prohibition? **Garratt:** A hands free phone is fine but holding it up while driving does not comply with the law. **Williams:** It should say something about abiding by the law and include texting as well. **Climer**

suggested striking the first sentence and changing 'should stop' to 'shall stop' then add a complete prohibition on texting while operating a moving vehicle. **Callender:** Custodians have pagers at the schools. I say leave pagers in.

#### *Credit Card Policy*

**Climer:** I will update this to mimic the State Law. I may incorporate it by reference.

#### *Travel Policy*

**Climer:** I found two additions; forewarning anyone from receiving benefits as frequent flyer miles, etc. when traveling for the Village. **Hardin** asked if he would add that. **Climer:** Yes. Meals portion is not clear. It references overnight stays. **Hardin:** Reimbursement for meals in a predefined number of miles from the employee's residence or headquarters. Is this reasonable? **Rogers:** If meals are included in registration, the Village will not pay additional reimbursement for meals. **Hardin:** That is clarified but reimbursement of meals in a predetermined number of miles is what I am referring to. Who says what is the number of miles? **Climer** suggested deleting that bullet point. **Hardin:** Is it saying if you take your employees to lunch for a business meeting you are not entitled to reimbursement? **Climer:** I think it says if an employee pays for a meal on their own credit card. **Hardin:** If you take your employees to lunch as a manager, a reimbursement is appropriate in some instances. It isn't necessarily overnight travel. **Rogers:** What if a conference is held in Columbus and meals are not included, would you not be qualified for reimbursement? **Williams:** Does it have to say overnight stay? I don't know if reasonable is defined. **Clerk:** I had training in Columbus, but it was not an overnight stay. When Karen was here, she identified reimbursable lunches as 20 miles or beyond. There is an IRS per diem rate for every large city in the US for meals as well. **Hardin:** The word reasonable and the purpose is the issue. If there is a need to take an employee to lunch for discussion outside the office, that should be reasonable. The overnight is too restrictive. **Williams:** If the Clerk has training in Mayfield Heights for eight hours, it shouldn't prohibit her from getting reimbursed for lunch. She is still on official business. **Climer:** Further below it states if meals are included in registration, we are not going to pay for your additional lunch. I will review model policies that will address the overnight stays. **Rogers:** I don't agree with someone taking an employee out to lunch then getting reimbursed. **Hardin:** That is reasonable. **Rogers:** I don't think so. **Hardin:** Even if it is official business? **Climer:** I will craft something up which includes the advancement of official Village business. **Hardin:** My point is, if there is a reason an employee or manager would have to take a client out? **Climer:** I do it all the time. **Hardin:** Why wouldn't it be applicable here. **Clerk:** We would have to adhere to Ethics Law. **Climer:** The Village is a customer rather than a seller of services. **Garratt:** We are responsible for hosting training and we offer refreshments just like anywhere else you attend a conference. **Williams:** If the language is crafted correctly. **Climer:** The IRS is a good starting point.

#### *Cancellations*

**Hardin** asked about it. **Climer:** It is saying you must understand the cancellation policy or cause a denial of a refund for services not received by the Village. It basically says the cancellation is on you the employee and must be repaid to the Village.

#### *Records Retention Policy*

**Climer:** Employees need to be made aware of that, so they don't violate it. I would simply refer to it by reference and what would be a violation.

#### *At-Will Employment*

**Climer:** This just reiterates we are an at-will employer with the exception of the Police Dept.

#### *Resignation*

**Williams:** Is there any liability for exit interviews? The word 'generally' is vague. **Climer:** It is totally okay. It is at the discretion of the Village officials. **Hardin:** Do we have anything in here about a resignation then the person coming back to the same position? Is there anything in the handbook about that? **Climer:** Double dipping? **Hardin:** That is my question. **Climer:** I am not aware of anything which prohibits that. I never understood the controversy about that. If a

person returns to work, it is no different than retiring and going to a different job. I never had an issue with that. **Warren:** You don't have to worry about training or the loss of production. I have no issue with the ideology of it. **Climer:** This could save money. Don't hem yourself in but go by a case-by-case basis. **Warren** mentioned PERS retirement system. **Climer:** It would be a mistake having a prohibition against it. **Hardin:** As long as there are no issues arising. **Haba:** I am double dipping. Whatever job you go back to, you must take the city insurance, you are not on PERS. That was changed five years ago. The Village saved some money. I lost my vacation time and longevity. I went back to two weeks' vacation time when I was rehired. **Warren:** Whoever gets that position will be getting the Village insurance anyway. **Haba:** Correct. **Warren:** In other words, if we are in a position, if we have a policy if a person decided to do that the health insurance wouldn't be available to the retiree who comes back. **Haba:** That is a legal question. **Climer:** PERS would most likely not make it easy for you. it sounds like they would say, if you qualify for health insurance just like any other employee. As a practical matter, they could take us to court. **Williams** asked if we are adding this to the handbook. **Hardin:** I was just asking about it. **Climer:** Are we all on the same page with this – we will not put something in writing limiting the Village's discretion to hire someone who is double dipping. **Williams** suggested this is a work session item. **Rogers:** Let's find out what PERS says. What the Law Director says makes sense to me. **Climer:** My advice is, don't hem yourself in and cost yourself the ability to hire a qualified person who may be on PERS. Whether we can force that person to take the PERS insurance or our insurance is another matter we can investigate. **Rogers:** If it is being offered by your employer and you have to take it.

#### *Conceal Carry Permits*

**Climer:** The weapon must be kept in your vehicle but Chief you can bring your gun.

#### *Prescription Drug*

**Climer:** Using a prescription drug can be prohibited. If you are taking six codeine pills when you are prescribed one is considered a violation. **Hardin** asked about nolo contendere. **Climer** explained, it means no contest – you agree with the facts and complaint. The court then does what it does.

#### *Return to Active Duty*

**Climer:** The present statement doesn't comply with ADA. The employee must be fit to return to duty and the employer must give reasonable accommodations to the employee. I will incorporate the comments and changes since we have finished reviewing the handbook. Having a long document causes folks not to want to read it. I will simplify it and it will be up to date. It should take 30-45 days to get this done. **Hardin:** I think we can wait. Thank you.

Adjourned 7:02p

Submitted by

Debra L. Hladky, Clerk of Council

# VILLAGE OF OAKWOOD

## COUNCIL MEETING MINUTES

January 12, 2021

### ATTENDED

Johnnie A Warren III, Council President	Gary Gottschalk-Mayor*
Elaine Gaither-Council-at-large	Jim Climer-Law
Chris Callender – Ward 1	Brian Thompson-Finance*
Eloise Hardin – Ward 2	Tom Haba - Service
Melanie Sanders – Ward 3	Chief Garratt-Police
Patricia Rogers – Ward 4	
Candace Williams – Ward 5	
ABSENT: James Schade-Fire Chief Carlean Perez-Recreation <u>*=Late Arrival</u>	Ed Hren – Engineer Daniel Marinucci – CBO

Meeting opened 7.02 by Warren.

Pledge of allegiance and attendance taken.

Motion to approve Finance minutes of December 8, 2020 by Rogers seconded by Sanders

VOTE: YES: Warren, Gaither, Callender, Hardin, Sanders, Rogers, Williams

Motion Passed

Motion to approve Council minutes of December 8, 2020 made by Sanders seconded by Rogers

VOTE: YES: Warren, Gaither, Callender, Hardin, Sanders, Rogers, Williams

Motion Passed

Motion to approve Special Council minutes of December 14, 2020 made by Gaither seconded by Callender

VOTE: YES: Gaither, Callender, Hardin, Rogers, Williams ABSTAINED by Warren, Sanders

Motion Passed

Motion to approve Council minutes of December 15, 2020 made by Rogers seconded by Callender

VOTE: YES: Warren, Gaither, Callender, Hardin, Rogers, Williams ABSTAINED by Sanders

Motion Passed

Motion to approve Finance minutes of December 15, 2020 made by Gaither seconded by Rogers

VOTE: YES: Warren, Gaither, Callender, Hardin, Rogers, Williams ABSTAINED by Sanders

Motion Passed

Motion to approve Special Council minutes of December 17, 2020 made by Gaither seconded by Callender

VOTE: YES: Warren, Gaither, Callender, Hardin, Rogers, Williams ABSTAINED by Sanders

Motion Passed

### *Departmental Reports*

**Service-Haba:** A truck hit the retaining wall at Richmond/Forbes last week. Three Service employees spent 1.5 days to put it back in place. **Warren** asked if he recognized the truck. **Haba:** We did not. **Garratt:** We did, Captain Freeman identified the truck.

**Police-Garratt:** Last meeting I was not here but a gentleman asked about three lights on Mt. Zion. I contacted CEI with the proper paperwork on the seven lights. They emailed us back but have not yet repaired them, although they are on the list. **Ms. Williams** asked about diversity training. We have completed that training. We are trained on de-escalation of any

scenario. Ms. Williams emailed me about inclusion and diversity training. All officers including the Captain and I have completed that training. We also took a class "Duty to Intervene". The vast majority of Officers are ethical. Sometimes things happen and they do things improperly. It is the job of any officer on scene to stop any of that. We work through a company for inclusion and diversity training. We have that information if Council wishes to pursue it, I can give the information to Debbie for your review. **Williams** and **Sanders** thanked him. **Callender** asked about any extra Police presence on inauguration day. **Garratt**: We have more manpower available that day. We are in contact with the FBI and are prepared for any possible issue. **Hardin** asked about the I-480 sign. **Garratt**: There was an accident, ODOT is aware of it. It takes them a while to replace it.

**Finance-Thompson**: We have been working to close out the month and of 2020. The information for insurance requested is being worked on. The one gentleman was Adam, who plans to have that at the January 26<sup>th</sup> Finance meeting. You will have the comparison to other community health plans as well.

**Law-Climer**: We have quite several pieces on the work session. I will make my report then.

**Mayoral Report-Mayor**: The CBO is off because his dad was taken off life support. He is with his family right now. **Warren** asked if he had a report. **Mayor**: In Work Session I will make my report.

*Open Floor Comments, hearing none,  
+ floor closed*

### *Legislation*

Ord 2020-96

Introduced 12-08-2020 by  
Mayor & Council as a whole  
3<sup>rd</sup> reading

AN EMERGENCY ORDINANCE ENACTING SECTION 505.19 AND AMENDING  
SECTION 505.03 OF THE OAKWOOD VILLAGE CODIFIED ORDINANCES TO  
PROVIDE REGULATIONS FOR THE RAISING OF CHICKENS IN THE VILLAGE

MOTION TO ADOPT made by Rogers seconded by Sanders

VOTE: Warren, Gaither, Callender, Hardin, Sanders, Rogers, Williams

Motion Passed

Res 2020-97

Introduced 12-08-2020 by  
Mayor & Council as a whole  
3<sup>rd</sup> reading

A RESOLUTION AUTHORIZING THE MAYOR TO ENTER INTO A MEMORANDUM  
OF UNDERSTANDING WITH THE CUYAHOGA SOIL AND WATER  
CONSERVATION DISTRICT AND THE NORTHEAST OHIO REGIONAL SEWER  
DISTRICT TO PROVIDE U.S. EPA PHASE II STORMWATER SERVICES FOR THE  
2021 CALENDAR YEAR, AND DECLARING AN EMERGENCY

**Sanders** asked when that payment is due. **Clerk**: Yesterday. **Sanders**: Do we pay that in payments or all at once. **Clerk**:  
in one payment but we are reimbursed.

Motion Passed

MOTION TO ADOPT made by Rogers seconded by Callender

VOTE: Warren, Gaither, Callender, Hardin, Sanders, Rogers, Williams

Motion Passed

Res 2021-01

Introduced 1-12-2021 by  
Mayor & Council as a whole

A RESOLUTION OF CONDOLENCES TO THE FAMILY OF GLADYS M. RUFFIN

MOTION TO SUSPEND made by Hardin seconded by Rogers

VOTE: Warren, Gaither, Callender, Hardin, Sanders, Rogers, Williams

MOTION TO ADOPT made by Sanders seconded by Callender

VOTE: Warren, Gaither, Callender, Hardin, Sanders, Rogers, Williams

Motion Passed

Res 2020-02  
Introduced 1-12-2021 by  
Mayor & Council as a whole

A RESOLUTION OF CONDOLENCES TO THE FAMILY OF GROVER L. COATS

MOTION TO SUSPEND made by Sanders seconded by Rogers  
VOTE: Warren, Gaither, Callender, Hardin, Sanders, Rogers, Williams

MOTION TO ADOPT made by Gaither seconded by Sanders  
VOTE: Warren, Gaither, Callender, Hardin, Sanders, Rogers, Williams  
Motion Passed

MOTION TO ADJOURN made by Gaither seconded by Callender  
YES VOTES: Warren, Gaither, Callender, Hardin, Sanders, Rogers, Williams  
Adjourned 7:25pm

Adopted \_\_\_\_\_

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Debra L. Hladky, Clerk of Council

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Johnnie Warren, Council President

# VILLAGE OF OAKWOOD

## COUNCIL WORK SESSION MINUTES

January 12, 2021

### ATTENDED

Johnnie A Warren III, Council President	Gary Gottschalk-Mayor
Elaine Gaither-Council-at-large	Jim Climer-Law
Chris Callender – Ward 1	
Eloise Hardin – Ward 2	
Melanie Sanders – Ward 3	
Patricia Rogers – Ward 4	
Candace Williams – Ward 5	
<b>ABSENT:</b> James Schade-Fire Chief Carlean Perez-Recreation Tom Haba-Service <u>*=Late Arrival</u>	Brian Thompson-Finance Ed Hren – Engineer Daniel Marinucci – CBO Chief Garratt-Police

Meeting opened by Warren at 7:26p

### Fiscal Officers Certificate Present

Ord 2020-WS-06      AN ORDINANCE PROVIDING FOR THE ISSUANCE AND SALE OF NOT TO EXCEED \$165,000 OF NOTES, IN ANTICIPATION OF THE ISSUANCE OF BONDS FOR THE PURPOSE OF PAYING COSTS OF ACQUIRING REAL ESTATE FOR VILLAGE PURPOSES AND DECLARING AN EMERGENCY

**Mayor:** This can remain on the Work Session until we have passed the Premier and Interstate McBee legislation. **Sanders:** Thank you.

*Remains on Work Session*

Ord 2021-WS-01      AN ORDINANCE DECLARING IMPROVEMENTS TO CERTAIN PARCELS WITHIN THE VILLAGE TO BE A PUBLIC PURPOSE, EXEMPTING THE IMPROVEMENTS TO SUCH PARCELS FROM REAL PROPERTY TAXATION FOR A PERIOD OF THIRTY YEARS, AUTHORIZING THE MAYOR TO ENTER INTO AN AGREEMENT WITH THE BEDFORD CITY SCHOOL DISTRICT REGARDING SUCH EXEMPTION REQUIRING THE OWNERS OF SUCH PARCELS TO MAKE SERVICE PAYMENTS IN LIEU OF TAXES ESTABLISHING AN URBAN REDEVELOPMENT TAX INCREMENT EQUIVALENT FUND FOR THE DEPOSIT OF SUCH SERVICE PAYMENTS PURSUANT TO OHIO REVISED CODE SECTIONS 5709.41, 5709.42, AND 5709.43, AND DECLARING AN EMERGENCY

**Mayor:** Both 2021-WS-01 and 2020-WS-2 have been approved by the Bedford City School Board on December 30, 2020. This is the 23.3 acres of the Macedonia Road farmland. This was rezoned in 2018 from Residential to Light Industrial by the voters. We could have had 41 homes off Macedonia with an average price of \$165,000 and total property tax to the Bedford City School District of \$90,000 annually. That same project

would have brought in \$8,200 annually to Oakwood or \$200 per home (Oakwood property tax receipts). The cost to Premier is outlined below (per Mayor Gottschalk):

Premier Total Cost for Supplemental Items		\$3.6 million
Realigning Alexander/Fair Oaks & Signalization	\$230,000	
Construction of Access Road to the Project Site	\$850,000	
Purchase of Property for Access Road	\$580,000	
Cost of Temporarily One-Lane Access Road	\$310,000	
Mounding and Landscaping and Irrigation (screening)	\$400,000	
Wetland Mitigation	\$300,000	
Landscaping Maintenance – Five Years	\$120,000	
Purchase of three homes South on Macedonia Road for more parking spaces	\$590,000	
Purchase of Backyards of Homes on Alexander Road	\$ 75,000	
Eight-Foot-Wide All-Purpose Trail Macedonia Road	\$130,000	

For that, they are asking for relief incentives. Abatements on property taxes of real improvements. There are expenditures of \$55-\$60 million in the buildings and this \$3.6 million. We usually give 90% abatement for 15 years, they preferred having a larger TIF. The CRA was going to be 75% with 25% for the .41 TIF. He reviewed the figures. Tax Increment Financing is a public financing tool available to local governments in Ohio to finance public infrastructure improvements that support commercial development. A TIF works by allowing the increase assessed value of real property, in this case \$60 million, to be exempted from real property taxation. The property owners instead make payments in lieu of taxes, that is called PILOTS equal to the amount of the increase in property taxes generated by the real improvement. The maximum term is 30 years and maximum percentage can be as high as 100%. We have been using .40 TIFS up until now and they can only be used for public infrastructure benefiting the area which have accesses to the property. It cannot be used for private uses or to a private developer. In this case, we are using a .41 TIF which has been approved by the Bedford School Board and can be used for any development including private uses. A .41 TIF requires the Village to acquire title to the property which means the TIF must be in the name of the Village prior to the developer’s name. That is why we are holding \$1 million for the cost of the land which will be going back to Premier. In this case, the CRA of 75% and .41 TIF of 25% will be established. All TIF proceeds go to Premier. All school proceeds will go to Premier. For the first 15 years on \$55-60 million project, the schools are willing to receive zero property tax. It isn’t unusual for \$2-\$3 million but very unusual for a project of this scope. During that first 15 years precisely from years 27-36 when the value of the real improvements will be between \$55-\$60 million, Premier will receive \$423,000 per year with Oakwood receiving 35% of that share every year for the first 15 years (\$148,000 annually).

**Premier TIF Outlined:**

Time Period	Years	Premier	Oakwood	School
1st 15 years	2021-2036 years	(55%) \$423,000	(35%) \$148,000	\$0
2 <sup>nd</sup> 15 years	2037-2051 years	\$560,000	(50%) \$280,000	\$1.13 million

In addition, Premier will be paying the Bedford School District \$40,000 annually for 15 years.



### **PILOT Distribution Outlined:**

<b>Years</b>	<b>Payroll</b>	<b>Receipts</b>	<b>Receipts</b>
2022-2036	Payroll less than \$40 million/year	Premier 65%	Oakwood 35%
2022-2036	If payroll exceeds \$40 million/year	Premier 100%	Oakwood 0%
2037-2051	Payroll greater than \$40 million/year	Premier 100%	Oakwood 0%

This is to induce them to try and increase the payroll as fast as they can because it benefits them in the TIF but we are getting a much larger percentage in the payroll collections. **Hardin:** That is a gamble. **Mayor:** We are making more money on the gain if they don't make it; 35% and 50% in the second 15 year. At the end of 2036, if the payroll is \$40 million, we would get an extra \$187,500/year. Verses the TIF, we would only be getting \$148,000/year by giving up our share and getting the payroll higher. That is only presuming \$40 million in payroll. The payrolls could be \$45-\$50 million by the second 15 years. We are looking at a large gain to Oakwood Village. That is why they bought the additional land, to get more payroll. They bought three parcels south on Macedonia already rezoned and two more parcels on south Macedonia but only the backyards have been rezoned. The front yards are being negotiated. Of the four backyard parcels on Alexander Road which have been rezoned, three are ready to be purchased and one has a mortgage issue and will be delayed. We need to move this project along to do the transfers for the TIF.

### **Oakwood Village Costs**

Exterior Maintenance Credit Ward 4 \$80,000/year x 5 years \$400,000

Job Creation Tax Credits JCTC of 30% payroll taxes/5 years.

**Mayor:** I will not accept them just filing a building up when it is built. I can turn it down; we don't have to offer the JCTC based on payroll over square footage of the building. I already turned down one operation in accounting. I don't see that a viable career of business within 5-7 years. **Hardin** asked about the exterior maintenance. **Mayor:** We aren't offering it in 2021. We are extending it one year since we don't have revenue coming in. It will be back in 2022 through 2025. **Hardin:** That is for the rest of the city. **Mayor:** No, that is Ward 4. We will deal with that later in Work Session. **Williams:** We are expecting revenue coming in at \$80,000 by 2022. **Mayor:** Yes. They are looking at starting a building by the first week of March. The company should be in by the end of 2021 so there will be revenue coming in 2022.

### **Municipal Income Tax Sharing with Bedford City School District (MITS)**

**Mayor:** They will not be getting anything in the first fifteen years. Traditionally we would give them 15% of payroll taxes for 15 years. Because of the other issues of expenditures, of exterior maintenance credit, job creation tax credit, we won't pay them until 2027. Instead of 15%/15 years that is equivalent to 22.5%/10 years. At this amount, at \$35.5 million, we will be giving the schools \$200,000 annually. As a kicker to make sure, we are guaranteeing the 22.5% payroll or \$200,000 per year whichever is greater. I am doing this because the TIFs will cover the difference. If the payroll is \$25 million in 2026, we would only give the schools \$140,000 otherwise there would be a shortfall of \$60,000. However, that is more than made up by the TIF receipts. Just in 2021 with the first building going up we will be getting \$50,000 TIF money, therefore we are only \$10,000 short. In 2026 you wouldn't need the other two buildings if you expanded on the first building bringing in \$61,000/year in TIF money to more than cover the shortfall if we only had a payroll of \$25 million. The schools are very appreciative of this deal, whichever is greater.

<b>Years</b>	<b>Entity</b>	<b>Percentage MITS</b>	<b>Straight payment</b>
2022-2026	School District	0%	\$40,000
2027-2051	School District	22.5% or \$200,000	

<b>Years</b>	<b>Payroll Amount</b>	<b>Wage Collections</b>	<b>TIF</b>
2022-2026	\$32.5 million	\$570,000	\$145,000

<b>Year</b>	<b>Summer Program</b>	<b>Years</b>	<b>Scholarships</b>
2020-2021	\$20,000	2020-2039	\$20,000
2022	\$25,000		
\$2023-2039	\$30,000		

**Mayor** continued: In addition to that, a donation by Premier is giving \$20,000 to the Village for the Janice Kenney Summer Enrichment Program as outlined above from 2020-2039. That is a total of \$9,090,000 from Premier Development. That concludes Premier overview. We would have only gotten \$8,000 a year if this property were a housing development. **Warren:** We wouldn't be getting that. It costs more than \$8,000 a year to maintain snow removal, trash removal, and other services. **Sanders:** Is there anyway you can put a spreadsheet with all those numbers? **Williams** asked if he is reading from something if he could provide that to Council with details. **Mayor:** I will put something in writing. I have been consumed. **Warren:** We are asking for the highlights. **Mayor:** Instead, you will have 80% glass buildings on either side of I-271. Not even Beachwood can claim what we are going to have. What a break we had when Mr. Bugarcic didn't sell to a housing developer. He could have sold that land for \$1.5 million and we would have had 41 homes there. **Williams:** Can you make sure you have the written documentation as well. I won't be able to vote in confidence unless I am able to read what you shared. **Mayor:** This is the problem Ms. Williams, neither did the School Board. They relied on their Superintendent, Treasurer, Business Manager, Legal Advisor and a consulting firm, K12, for this. They did this the night before New Years Eve. It is that important to them as it is to us. We are having a meeting on the 27<sup>th</sup> and I expect to have these issues passed. I have other projects going on, there is so much going on in Oakwood you wouldn't believe it. I will do what I can, but I can't promise having this before the 26<sup>th</sup>. **Williams:** Let me make sure I understand what you are saying. Are you asking this to be voted on, but you can't promise to have the numbers before then? **Mayor:** Yes. I have been putting in 7 days a week. I was here last night until 2am on another project. I can only do what I can do. Again, you have the Bedford School Board which had less knowledge of this voting on this depending upon their advisors and yet they passed all the incentivization regarding the business. I made a change at the last minute on Interstate McBee, they are voting on that the 21<sup>st</sup>. They are passing everything by then. **Warren:** I don't see any reason in the world with your staff, to be able to provide us with a spreadsheet. **Mayor:** I will do the best I can. **Warren:** We look forward to the 21st. I am in favor of moving this to the regular agenda. The information asked for in a spreadsheet which is not difficult, is something we need to have. You just gave us a 22-minute presentation and you can't tell me in the next week you couldn't get us a spreadsheet. **Mayor:** I am saying with Interstate McBee there are two other options for them, and Oakwood might be out unless this gets passed. That is why the School Board did what they did because it is important to them. I will do what I can.

Ord. 2021-WS-02      AN EMERGENCY ORDINANCE DETERMINING THE PERIOD OF TAX EXEMPTION FOR AN IMPROVEMENT TO REAL PROPERTY OWNED BY PREMIER OAKWOOD, LLC. LOCATED IN OAKWOOD COMMUNITY REINVESTMENT AREA NO. 1 AND AUTHORIZING THE MAYOR TO ENTER INTO A MUNICIPAL REVENUE SHARING AGREEMENT WITH THE BOARD OF EDUCATION OF THE BEDFORD CITY SCHOOL DISTRICT

Ord 2021-WS-03      AN EMERGENCY ORDINANCE DETERMINING THE PERIOD OF TAX EXEMPTION FOR AN IMPROVEMENT TO REAL PROPERTY OWNED BY OAKWOOD CENTER, LLC. LOCATED IN OAKWOOD COMMUNITY REINVESTMENT AREA NO. 1 AND AUTHORIZING THE MAYOR TO ENTER INTO A MUNICIPAL INCOME TAX REVENUE SHARING AGREEMENT WITH THE BOARD OF EDUCATION OF THE BEDFORD CITY SCHOOL DISTRICT

**Mayor:** Interstate McBee was established in 1947 in Cleveland. They are one of the world's premier manufactures and distributors of heavy-duty engine replacement components. Interstate McBee patented technology has resulted in designing and manufacturing a variety of revolutionary fuel injection components that dramatically reduce the exhaust particulate significantly improving the fuel economy for rail, power generation, mining, marine, heavy truck, and military applications. With no practical options available in Cleveland with three buildings between East 49<sup>th</sup> and 53<sup>rd</sup>, Interstate McBee is seeking to establish a state-of-the-art corporate campus with one of their prospective sites off Oakleaf Road from Broadway/Forbes exit from I-271 in Oakwood Village. As an alternative, they are simultaneously evaluating the expansion of their distribution centers in Houston and Miami. Interstate McBee is immediately committed if they select Oakwood Village to purchase the 30 acres owned by JTI before the end of January with the property construction of a 200,000 sq ft \$13 million building, their first building. The asking price of the property next to Waste Management is \$2.6 million including \$1.15 million for the taxable market value of the land and \$1.05 million for the taxable market value for the one building located there currently. They plan on using that building. The schools are getting \$41,500 property tax, Oakwood is getting \$2,900 property tax for that property right now. The supplemental costs just like there were for Premier are \$1.5 million which includes the cost of the Wetlands Mitigation. All land west of the stream cuts that property by 1/3 which has been deemed 'related waterway' by the Army Corps to go directly parallel to WM all the way to the back of the property then cutting toward North Lane. It enters North Lane far earlier than that. The stabilization by Geotech studies on stable subsoil due to the previous fill-in activities from that operation, mounding and landscaping for both WM Transfer Station Facility and a few pieces of land adjacent to I-271 and North Lane, and avoiding construction around the First Energy High Power lines. That is why that land hasn't been developed other than by Kokosing over the last eight years. Adding those, you are looking at \$15 million dollars in real improvement on that property. That is where our property tax gains are from. The incentives offered to them were CRA 90%/15 years and JCTC 30%/5 years, however, as I earlier alluded to the abatements to Cleveland only allows abatements of 75% for 10 years and prohibits JCTC. Therefore, I formulated a step TIF program where for the first 10 years on the 75% there is a 25% wiggle room which can be a TIF. Of that, 60% would go to the school but will now be going to Interstate McBee. They would only be getting 40% of what they would have gotten earlier. In the years 11-15 Interstate would be getting 90% of the share of the school share and the schools will only get 10%. In either case this is equivalent to a 90% CRA. The schools are getting the same amount for the TIF and CRA as it would have been at 90%/10% and the same with Interstate McBee. All we did was satisfy Cleveland giving them what they were supposed to get and giving the schools and Interstate McBee what they would have gotten on a 90% CRA. I

want to point out the taxable proceeds on the last five years were only 10% to the schools and yet the schools approved this TIF legislation at their meeting the day before New Year's Eve. The payments of the TIF receipts are as follows are based on a .41 TIF. If they did receive \$10 million in payroll that first 15 years, they would be getting 100% and we would get nothing. We benefit with a higher payroll rather than getting monies from the TIF. The school district is currently getting \$41,500 from the property. With this project, the schools would receive an additional \$28,200. They are getting \$22,500 from Oakwood. In this case schools are getting \$377,000/year for the first 15 years. Far better than just the \$41,500 they are currently getting. I said to Council, Oakwood would pay Cleveland 50% of the income tax revenues for five years minus the 15% Oakwood would be giving the school board at 35% which Interstate McBee would paying \$52,500 per year for five years. At the same time, I offered a JCTC which was \$45,000/year for five years which was prohibited. We will pay Cleveland the \$45,000/year which is the JCTC and would have been giving to Interstate McBee. They will just have to make that difference of \$7,500. We would have to pay \$45,000 to them anyway whether it goes to them or Cleveland. The payroll collections on \$6 million, which is guaranteed annual payroll at startup, is 2.5% equating to \$150,000. Of that \$45,000 goes to Cleveland and the schools \$22,500 which nets us \$82,500 in the year end 2023. This will go toward an exterior maintenance programming in 2024, because they are guaranteeing the payroll. This will be for the other Wards in the Village. In 2024 their payroll will be \$7 million. We are no longer paying Cleveland and Oakwood will net \$150,000/year by 2027. We could spend a little more on exterior maintenance. That answers Ms. Hardin's question on this. **Hardin:** At \$82,500 with four additional Wards, you are talking about dividing that by four, about \$21,000 a year? **Warren:** That is what it sounds like. Additionally, there are other programs we will focus on, like the County programs. **Hardin:** I got that. I want him to tell me specifically that starting in 2024 the other four Wards would have \$82,500 to divide among themselves over a period of years. **Williams:** How did we come up with \$80,000/year for one Ward and \$82,500 for four Wards for five years. That seems very unjust. There needs to be logical explanation for that. I want to make sure we have the Finance Director present at these major project discussions. I want the minutes in more detail. We need to read through this quite a few times. **Rogers:** Ward 4 was promised \$135,000 a year for five years for passage on that farmland so it could be developed. **Williams:** That may be where the issue enters. When the project was discussed, several council members were not aware of that. **Rogers:** I can get that Ordinance, everyone voted on it. **Williams:** I don't think the discussion or argument is whether it was voted on. I am talking about what was promised for that to happen. I am not disputing that or that we passed it. I am saying at the point it was offered to residents, other Council members were not aware that was being offered as a prize to residents for the project to go forward. Some of us were left out of the loop for that. **Warren:** It was mentioned at every meeting prior to its passage. You can check the minutes. It was always consistent Ward 4 would get the funding set aside for residential rehab. Ward 4 in the Premier case was more directly impacted by the development vs the other 4 Wards off Fair Oaks. **Williams:** The point is, the rest of us need to be able to explain to our residents. We are only 4.4 square miles; we are all affected. They are all more directly affected but residents have said they are all affected. I want to be clear that we want clarity as to how those numbers came to be as to the \$82,500/5 years for all 4 Wards. **Sanders:** If what was promised was not met yet, how does that affect the balance of the other Wards? **Rogers:** It isn't coming out of the same project. **Warren:** One is coming from the Premier project and the other is coming from the McBee project. **Sanders:** I may see it more clearly when I get the spreadsheet. **Williams:** We are talking about money coming into the Village over the next several years. I want to specifically request that Brian is available and present for that meeting. I want to know how the Government Financial Offices Association is the best practice in having the financial documents online providing transparency with so much money coming in. I want Brian to come up with a plan to get those documents online and available to our constituents. **Sanders:** Can we also check with the Mayor on the Premier about 30 years. I need clarification on why we are making that investment for that timeframe with the numbers

we are talking about. **Clerk:** I am making notes as Council speaks. **Hardin:** When did the Mayor and Finance Director leave the line? **Sanders:** When he was done talking. **Hardin:** How is the property at McBee currently zoned for the record. **Climer:** It is zoned Production Distribution. **Hardin:** Thank you.

## PILOTS

Year	Payroll	Interstate McBee	Oakwood
1-15	Less than \$10 million	75%	25%
Any year	More than \$10 million	100%	0%
16-30	More than \$10 million	100%	0%
16-30	Less than \$10 million	50%	50%

## JCTC Bedford School District

Years	Amount from TIF	Receiving from Oakwood
Currently receive on that property	\$41,500	\$22,500
1-15	\$28,200 additional	

Payroll Collections	Oakwood
2021-2026	\$82,500
2027-____	\$100,000

**Sanders:** Does anyone know what Interstate McBee is currently valued? **Climer:** It is a privately held company. **Hardin:** The information was thorough because most of my questions were answered including the CRA. That was good information. **Williams:** I am in disbelief that he gave all that information and just hung up. That doesn't say much to me personally. **Sanders:** I need to see all of that in writing so I can make the best educated decision possible. **Williams:** The bottom line is, I hope we consider this. We expect the Mayor to provide a spreadsheet for both projects clearly explaining all the things he reviewed with us – School Board, Tax Abatement, TIF, and Revenue. We can anticipate receiving for each of these properties. We will receive this information in a week giving us a week to digest it and if we have questions, we can review them prior to the Council meeting. **Williams:** If he does not have the presentation written out, he should have his staff prepare that or have his staff present and transcribe his presentation and he will have an actual document for us. Those are just suggestions, but I have to have it in writing.

**Warren** suggested moving these four pieces of legislation forward to the next Council meeting 2021-WS-01, 2021-WS-02, 2021-WS-03 and 2021-WS-04. If he doesn't have the information, we can always table it, but we need to have them on the agenda. **Sanders:** As long as I have the information before that. **Warren:** Ms. Sanders, what does it hurt to have it on the agenda when you can always table it as we have done before? We are talking about possible revenue for our community. I see smiles in our audience. I want a roll call to move these to the next regular agenda.

MOTION TO MOVE 2021-WS-01, 2021-WS-02, 2021-WS-03 and 2021-WS-04 to the next regular Council Agenda VOTE: YES: Warren, Gaither, Callender, Hardin, Roges NO: Sanders, Williams  
Motion Passed

**Hardin:** For the record, the expectation is to have the figures. That is a lot of pressure to put on you Deb, but we got a lot of information tonight. We need to review these notes. I will ask you to give me the information

regarding the exterior maintenance programs because I don't recall that. As Candace said, how do we follow through with the proposed project. **Warren:** We can also consider with the increased revenues, we can always compensate rather than from the developers, add to our home improvement allowances. **Hardin:** The exterior maintenance programs are structured, so Council has input into that. That was the general fund to feed this. We have some say when they start, if they start at all, how general funds are used. **Warren:** Yes. That is what I was saying. We can get the \$20,000 per Ward but with the revenue going into the general fund we can enhance those funds for home improvement. **Hardin:** We aren't locked into the figures the Mayor proposes, period. **Warren:** We aren't but I am going to go along with him because the businesses have already been negotiated. We need to anticipate the Mayor giving us the spreadsheets he mentioned and information on what each Council member asked. I am in a position personally, if what he said is true, we can augment the \$20,000 per Ward to enhance each Ward funding. **Hardin:** That is exactly what I said. We have control over general fund money and the programs themselves.

Ord 2021-WS-04      AN ORDINANCE DECLARING IMPROVEMENTS TO CERTAIN PARCELS  
WITHIN THE VILLAGE TO BE A PUBLIC PURPOSE, EXEMPTING THE  
IMPROVEMENTS TO SUCH PARCELS FROM REAL PROPERTY TAXATION FOR  
A PERIOD OF THIRTY YEARS, AUTHORIZING THE MAYOR TO ENTER INTO  
AN AGREEMENT WITH THE BOARD OF EDUCATION OF THE BEDFORD CITY  
SCHOOL DISTRICT REGARDING SUCH EXEMPTION, REQUIRING THE  
OWNERS OF SUCH PARCELS TO MAKE SERVICE PAYMENTS IN LIEU OF  
TAXES, ESTABLISHING AN URBAN REDEVELOPMENT TAX INCREMENT  
EQUIVALENT FUND FOR THE DEPOSIT OF SUCH SERVICE PAYMENTS  
PURSUANT TO OHIO REVISED CODE SECTIONS 5709.41, 5709.42, AND 5709.43,  
AND DECLARING AN EMERGENCY

MOTION TO MOVE 2021-WS-01, 2021-WS-03, 2021-WS-03, and 2021-WS-04 to the next regular Council agenda  
made by Gaither seconded by Callender

VOTE: Warren, Gaither, Callender, Hardin, Sanders, Rogers, Williams

Motion Passed

Motion to adjourn made by Hardin seconded by Callender

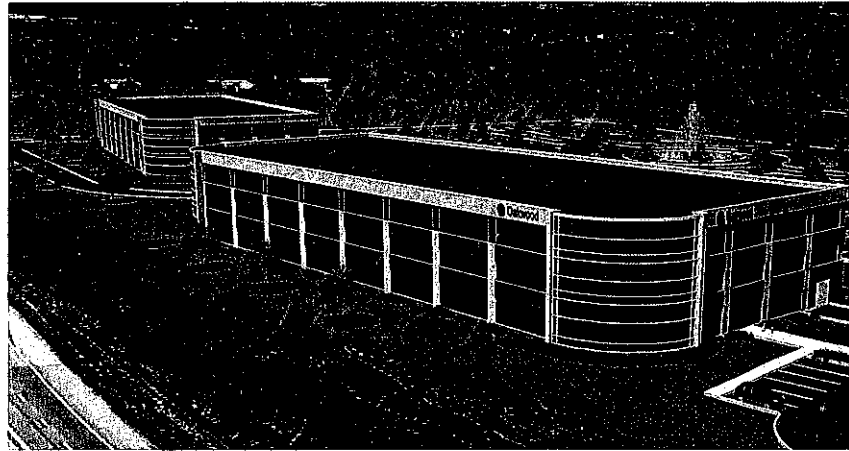
Warren, Gaither, Callender, Hardin, Sanders, Rogers, Williams

Adjourned 8:28p

# Premier Development (Project Landry)

- named by Greater Cleveland Partnership

23.3 acres of farmland on Macedonia Rd rezoned in 2018 from Residential (Single Family) to Light Industrial and purchased by Premier Development for \$1,005,000. A .41 TIF offered by Oakwood requires the Village to acquire the property title as a TIF must be created prior to the transfer back to Premier. Before the purchase by Premier, the owner of the farmland was offered about \$ 1.5 Mil by both a residential developer and a church. Chagrin Valley Engineering estimates 41 homes could be built on that site at an estimated sale price of \$165,000 per home. (see Exhibit A)



\$ 3,531	Current annual property tax of a \$165,000 home in Oakwood Village
\$ 89,729	Total yearly property tax return to Bedford City School District (BCSD)
\$ 8,178	Total return per year to Oakwood

Supplemental Costs to Premier because of Rezoning - \$ 3.6 Mil (see Exhibit B)

## Incentives Offered to Premier by Oakwood

### 1<sup>st</sup> 15 years

CRA: 75% abatement on property taxes of "real property improvements per year for 15 years

.41 TIF: 100% of 33.14% share of 25% balance from County per year over 1<sup>st</sup> 15 years

100% of 66.86% share of 25% balance from BCSD per year over 1<sup>st</sup> 15 years and

### 2<sup>nd</sup> 15 years

.41 TIF: 100% of 33.14% share from County over years 16 thru 30

As you can see, BCSD receives "zero" portion of the real property taxes due them but for the TIF exemption over the 1<sup>st</sup> 15 tax collection years

## Distribution of .41 TIF receipts (PILOTS) pursuant to Development Agreement between Oakwood & Premier

During the 1<sup>st</sup> 15 years of the distribution of payments in lieu of taxes (PILOTS) under the .41 TIF:

If the annual taxable payroll from tenants at the Premier Project Site is less than \$ 40,000,000

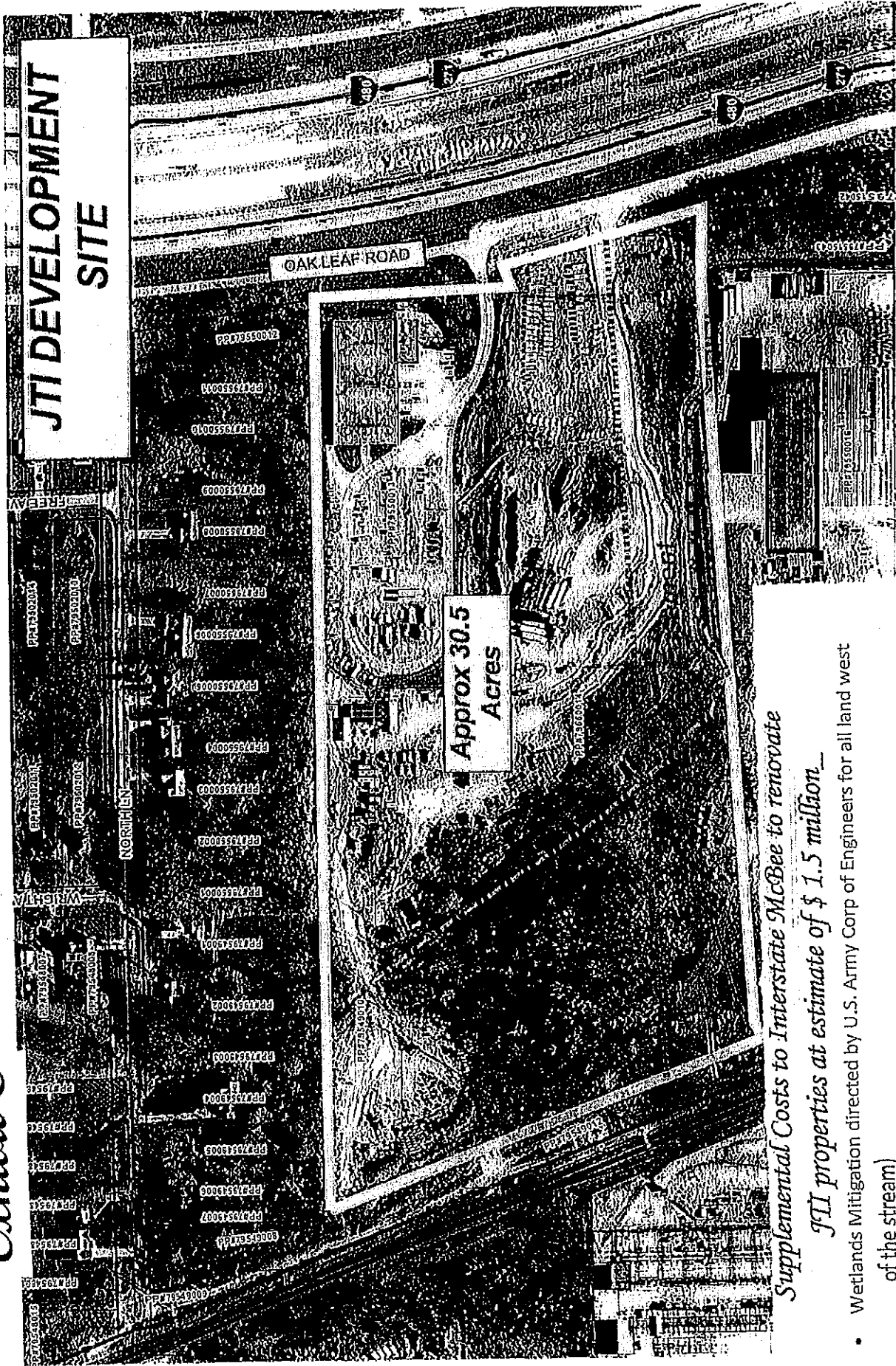
65% of PILOTS are payable to Premier & 35% are payable to Oakwood.

During any year the annual taxable payroll is \$40,000,000 or more, then 100% is payable to Premier

During the 2<sup>nd</sup> 15 years, if the annual taxable payroll is \$ 40,000,000 or more by the END OF CALENDAR YEAR 2026, then 100% of PILOTS shall be payable to Premier & 0% to Oakwood, otherwise 50% of the PILOTS shall be payable to both Premier & Oakwood.

Premier is buying additional land around the Macedonia – Alexander Rd. corridor for constructing larger buildings and affording more parking spaces to reach the \$ 40 Mil per year payroll goal for tenants at the Project Site. (Three parcels on south Macedonia - already rezoned & acquired by Premier, two more parcels further south being negotiated - but not yet rezoned and four backyard lots of homes on Alexander with three ready to be purchased).

# Exhibit C



*Supplemental Costs to Interstate McBee to renovate*

*JTI properties at estimate of \$ 1.5 million*

- Wetlands Mitigation directed by U.S. Army Corp of Engineers for all land west of the stream)
- Relocation of stream deemed "regulated waterway" by Army Corp of Engineers
- Stabilization of "unstable subsoil due to previous fill activities from a geotech study
- Mounding & landscaping to screen Waste Management Transfer Station facility
- Avoid construction around First Energy high power lines



#### **.41 TIF Receipts Based on \$ 60 Mil of "Real Property Improvements"**

- Premier receives \$ 275,000 per year over each of 1<sup>st</sup> 15 years (65% share)
- Oakwood receives \$ 148,000 per year over each of 1<sup>st</sup> 15 years (35% share)
- Premier & Oakwood each receive \$ 280,000 per year over each of 2<sup>nd</sup> 15 years (shared equally)

✓ Over each of the 2<sup>nd</sup> 15 years, BCSD will receive \$ 1.13 Mil per year. In addition, Premier will donate to BCSD \$40,000 per year for 15 years.

#### **Oakwood Expenses**

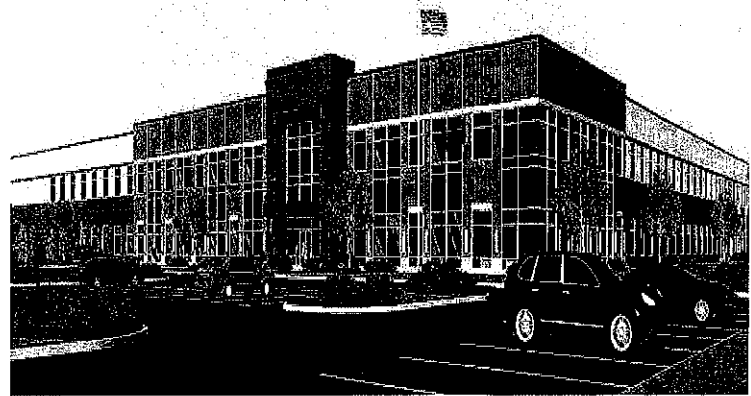
- Exterior Maintenance Credits to Ward 4 Residents allocating \$ 80,000 per year for 5 years totaling \$ 400,000 (for years 2020 & 2022 – '25).
- Job Creation Tax Credits (JCTC) will be offered to businesses relocating to Oakwood to encourage development and maximize job creation - 30% of the income tax revenue received for 5 years. Pursuant to the "Development Agreement" with Premier, the Mayor of Oakwood has the discretion to offer a JCTC as part of a "vetting process" as well as rejecting a prospective tenant based on their long term economic viability.
- Municipal Income Tax Sharing Agreement with BCSD  
For the 1<sup>st</sup> 5 years (2022- '26), Oakwood will pay zero to BCSD.  
(Historically, in 14 of the 18 previous agreements, Oakwood has awarded BCSD 15% of the income taxes collected per year for 15 years. In the last 10 years pertaining to the Premier Development legislation (2027 –'36), Oakwood shall pay the BCSD for each of such years the greater of \$ 200,000 or an amount equal to 22 ½ of the income tax revenue received by the Village from tenants in Premier buildings.

See Exhibit D Note if the annual payroll from operations at the Premier Project Site reaches the \$ 40.0 Mil goal by 2026 year-end instead of the conservative estimate of \$ 32.5 Mil, ADD \$ 187,500 to the Net Profits recorded in 2027 of \$ 510,267 resulting in \$ 697,767 in Net Profit to Oakwood in 2027. Oakwood would also receive \$ 148,000 in TIF Receipts for total revenues collected in 2027 from the Project Site of \$ 845,767. In addition, Premier will also be donating \$ 1.0 Mil over 20 years commencing in 2020 for scholarships to college, vocational & trade school to our Oakwood youth as well as to the Janice Kenney Summer Enrichment Program.

These figures compare to Oakwood only receiving \$ 8,178 per year from the property taxes of 41 homes if the Project Site had failed to be rezoned and instead been redeveloped as Single Family Residential.

# *Interstate-McBee Project*

Established in 1947 and based in Cleveland, Interstate-McBee is one of the world's premier manufacturers and distributors of heavy duty engine replacement components for the diesel & natural gas industries. Mc Bee's patented technology has resulted in designing & manufacturing a variety of revolutionary fuel injection components that dramatically reduce exhaust particulates and significantly improves fuel economy for rail, power generation, mining, marine, heavy truck & military applications. With no practical options to support growth and production at their current location in three buildings between E. 49<sup>th</sup> & E. 53<sup>rd</sup> streets in Cleveland,



Interstate-McBee is seeking to establish a state-of-the-art corporate campus and one of their prospective sites is off Oak Leaf Rd from the Broadway/Forbes exit of 271 in Oakwood Village. As an alternative, McBee is simultaneously evaluating the option of expanding at one of the distribution centers they operate, either in Houston TX or Miami FL. Interstate-McBee is immediately committed if they select Oakwood to purchase the 30 acres owned by JTI by Feb 2021, then renovate the property to begin construction of a 200,000 SF building costing \$13.0 Mil.

Asking price of \$ 2.6 Mil for the 30.7 acre Helmar Property < aka JTI >  
and next to the Waste Management Transfer Station.

\$ 1.153 Mil Taxable Market Value of Land

1.050 Mil Taxable Market Value of Building

\$ 2.203 Mil => BCSD receives \$ 41,536 per year in current property taxes

Oakwood receives \$ 2,926 per year in current property taxes

## **Supplemental Cost to Interstate-McBee to Rehabilitate JTI Property**

**\$ 1.5 – 2.0 Mil** (see Exhibit C) plus \$ 13.0 Mil to construct a 200,000 SF building

**=> \$ 15.0 Mil in real property improvements**

## **Incentives offered to Interstate-McBee by Oakwood**

CRA of 90% for 15 years & JCTC of 30% for 5 years

Water District Agreement with Cleveland, however, allows abatements of only 75% for 10 years  
& prohibits JCTC's.

By formulating STEPPED TIF's,

✓ Interstate-McBee & BCSD will each get the same amount of proceeds as if a 90% CRA was adopted  
1<sup>st</sup> 10 years

CRA: 75% abatement on property taxes of "real improvements" for 10 years

.41 TIF: 100% of 33.14% share of 25% balance from County per year over 1<sup>st</sup> 10 years

60% of 66.86% share of 25% balance from BCSD per year over 1<sup>st</sup> 10 years

For years 11 thru 15

.41 TIF: 100% of 33.14% share from County per year for 5 years

90% of 66.86% share from BCSD per year for 5 years

For years 16 thru 30

.41 TIF: 100% of 33.14% share from County per year over 2<sup>nd</sup> 15 years

## Distribution of .41 TIF receipts (PILOTS) pursuant to Development Agreement between Oakwood & Interstate-McBee

During the 1<sup>st</sup> 15 years of the distribution of payments in lieu of taxes (PILOTS) under the .41 TIF:  
If the annual taxable payroll from tenants at the Interstate-McBee Project Site is less than \$ 10,00,000, 75% of PILOTS are payable to McBee & 25% are payable to Oakwood.  
During any year the annual taxable payroll is \$10,000,000 or more, then 100% is payable to McBee.  
During the 2<sup>nd</sup> 15 years, if the annual taxable payroll is \$10,000,000 or more by the END OF CALENDAR YEAR 2027, then 100% of PILOTS shall be payable to Interstate-McBee & 0% to Oakwood, otherwise 50% of the PILOTS shall be payable to both McBee & Oakwood.

It was understood that Interstate-McBee would pay Oakwood's obligation to Cleveland of 50% of the Village's income tax revenues from McBee for 5 years minus 15% that Oakwood would be paying the BCSD under the Muni Income Tax Sharing Agreement with BCSD ( $\$ 6.0 \text{ Mil} \times 2.5\% = \$ 150,000 \times 35\% = \$ 52,500$  per year for 5 years).

At the same time, Oakwood offered Interstate-McBee a Job Creation Tax Credit (JCTC) of 30% for 5 years ( $\$ 6.0 \text{ Mil} \times 2.5\% = \$ 150,000 \times 30\% = \$ 45,000$  per year for 5 years.)  
In lieu of Cleveland prohibiting JCTC's, Oakwood shall pay Cleveland \$ 45,000 and McBee will only have to pay Cleveland \$7,500 per year for 5 years.

## Oakwood's Cash Flow Projections & Net Profits Due to Interstate-McBee

\$ 150,000	Income Tax Revenue from McBee in 2023 based on GUARANTEED annual payroll at startup of \$ 6.0 Mil.
\$ 45,000	Annual Payment to Cleveland for 5 years
<u>22,500</u>	Annual Payment to BCSD for 15 years
<b>\$ 82,500</b>	Net Profits to Oakwood in 2023 from the McBee operations at the JTI Project Site. (see Exhibit D)

Note Net Profits of Interstate-McBee increases to <b>\$ 148,750</b> by 2027. This line item will serve as the source of funding for the village-wide "Exterior Maintenance Program".
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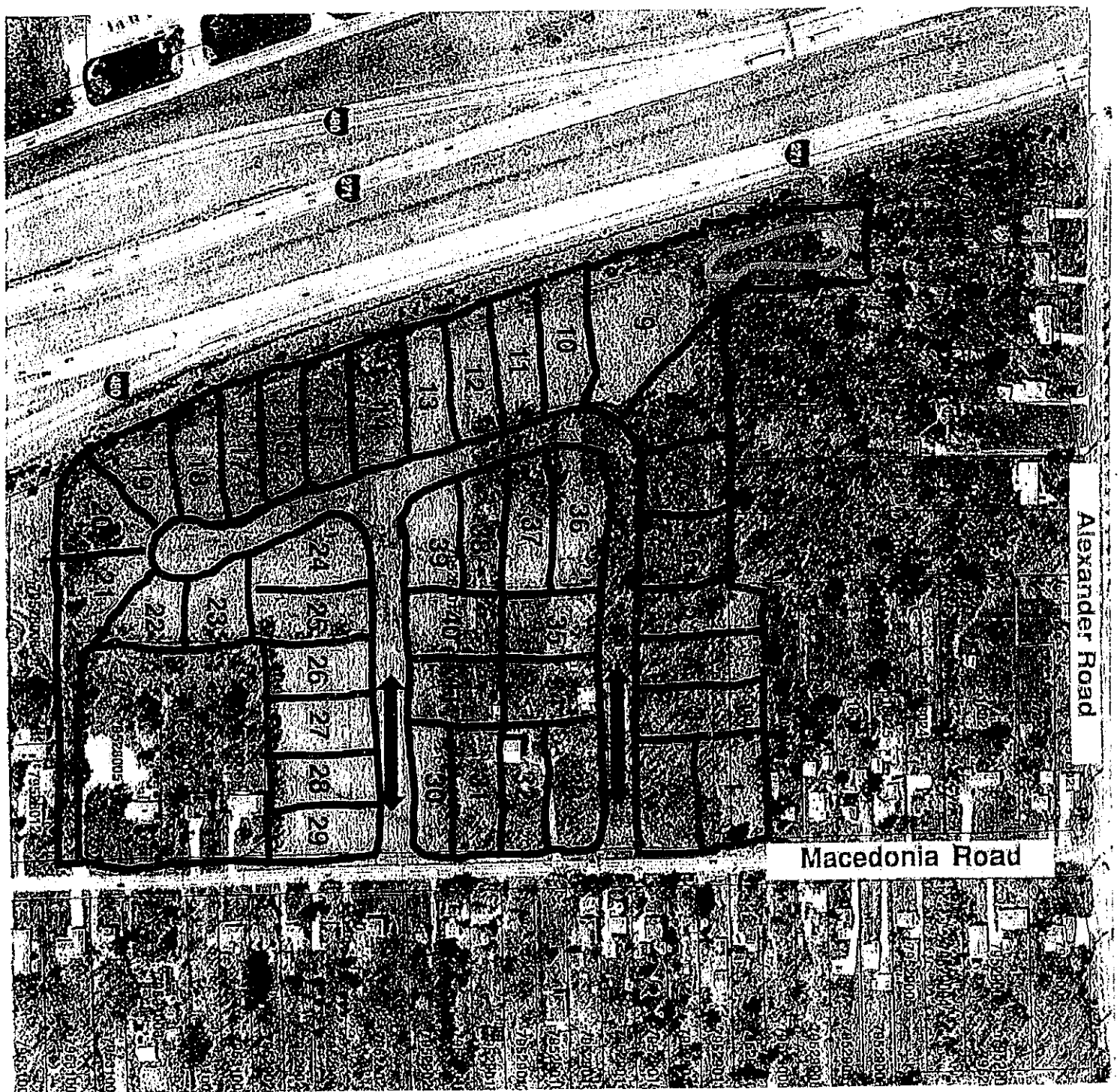
Additionally,

\$ 19,400	Oakwood's 25% share of the .41 TIF Receipts from \$ 15.0 Mil of real property improvements
\$ 20,000	Annual Donation by Interstate-McBee for 10 years towards Janice Kenney Summer Enrichment Program commencing in 2024.
<b>\$ 121,900</b>	

★ Note the <b>\$ 121,900</b> Oakwood receives in 2023 from Interstate-McBee operating at the JTI Site compares to Oakwood receiving only <b>\$ 2,926</b> per year from property taxes and <b>\$ 16,900</b> in income taxes from JTI employees in 2019 (pre- COVID-19).
--

In return, Oakwood shall donate to Interstate-McBee two parcels of our land (1.3 acres) adjoining 271/North Lane (already rezoned) and valued at \$ 31,200 by the County and three parcels (1.65 acres) on the northwest end of the Project Site adjoining land owned by Cleveland Electric and the railroad that the County values at \$ 0.

# Exhibit A



*Exhibit B*

INTERSTATE 27A/480

Screening: 150 ft wide  
 Includes 10 ft high rolling mound  
 & 8 ft wide paved multi-purpose trail

MACEDONIA ROAD

*Supplemental Costs to Premier Development*

\$ 230,000	Realignment of Alexander Rd/ Fair Oaks Intersection & Signalization to Handle Daily 900 More Cars
850,000	Construction of Access Road to Project Site (680' x 28')
580,000	Purchase Property for Main Access Road
310,000	Cost of Property & Construction of Temporary One-Lane Access to Project Site for Spring 2021 Start Up
400,000	Mounding/Landscaping with Irrigation System to Screen Project from Macedonia Rd Residents
300,000	Wetlands Mitigation
120,000	Landscaping Maintenance (Labor/Materials) for 5 Years
590,000	Purchase of 3 Homes on South Macedonia Rd for Parking Spaces
75,000	Purchase Backyards of 4 Homes on Alexander Rd for Parking Spaces
<u>130,000</u>	8' Wide All Purpose Trail on Macedonia Rd.
<u>\$ 3,600,000</u>	

## Oakwood's Cash Flow Projections from 2021 - 2030 from Premier Development & Interstate – McBee Projects

[illegible]

**VILLAGE OF OAKWOOD**  
**COUNCIL SPECIAL MEETING MINUTES**  
January 20, 2021

**ATTENDED**

Johnnie A Warren III, Council President	Gary Gottschalk-Mayor
Elaine Gaither-Council-at-large	Jim Climer-Law
Chris Callender – Ward 1	
Eloise Hardin – Ward 2	Brian Thompson-Finance
Melanie Sanders – Ward 3*	Tom Haba - Service
Patricia Rogers – Ward 4	Chief Garratt-Police
Candace Williams – Ward 5*	
ABSENT: James Schade-Fire Chief Carlean Perez-Recreation <u>*=Late Arrival</u>	Ed Hren – Engineer Daniel Marinucci – CBO

Meeting opened 7.05 by Warren.  
Pledge of allegiance and attendance taken.

**Warren:** This being a special meeting, we only address the items on the agenda per Chapter 7.09 of the Village Charter. Notice has been given for the special meeting via WEBEX to consider the following items. *Ms. Williams entered the meeting. Sanders entered the meeting.* **Clerk:** Thank you.

Ord. 2021-03            AN EMERGENCY ORDINANCE DETERMINING THE PERIOD OF TAX  
*Premier CRA*            EXEMPTION FOR AN IMPROVEMENT TO REAL PROPERTY OWNED BY  
Introduced 1-19-2021 by    PREMIER OAKWOOD, LLC. LOCATED IN OAKWOOD COMMUNITY  
Mayor & Council as a whole    REINVESTMENT AREA NO. 1 AND AUTHORIZING THE MAYOR TO ENTER  
   INTO A MUNICIPAL REVENUE SHARING AGREEMENT WITH THE BOARD OF  
   EDUCATION OF THE BEDFORD CITY SCHOOL DISTRICT

**Warren** asked if there were any questions. **Mayor:** We can proceed with voting. I have no questions and I am available any time for questions now and during the day.  
First Reading

Ord 2021-04            AN ORDINANCE DECLARING IMPROVEMENTS TO CERTAIN PARCELS  
*Premier TIF*            WITHIN THE VILLAGE TO BE A PUBLIC PURPOSE, EXEMPTING THE  
Introduced 1-19-2021 by    IMPROVEMENTS TO SUCH PARCELS FROM REAL PROPERTY TAXATION FOR  
Mayor & Council as a whole    A PERIOD OF THIRTY YEARS, AUTHORIZING THE MAYOR TO ENTER INTO  
   AN AGREEMENT WITH THE BEDFORD CITY SCHOOL DISTRICT REGARDING  
   SUCH EXEMPTION REQUIRING THE OWNERS OF SUCH PARCELS TO MAKE  
   SERVICE PAYMENTS IN LIEU OF TAXES ESTABLISHING AN URBAN  
   REDEVELOPMENT TAX INCREMENT EQUIVALENT FUND FOR THE DEPOSIT  
   OF SUCH SERVICE PAYMENTS PURSUANT TO OHIO REVISED CODE  
   SECTIONS 5709.41, 5709.42, AND 5709.43, AND DECLARING AN EMERGENCY

**Warren** asked if there were any questions, hearing none. **Hardin:** Each of these is first reading? **Warren:** Yes.  
First Reading

Ord 2021-05

*Oakwood Ctr LLC-McBee*

Introduced 1-19-2021 by

Mayor & Council as a whole

AN EMERGENCY ORDINANCE DETERMINING THE PERIOD OF TAX EXEMPTION FOR AN IMPROVEMENT TO REAL PROPERTY OWNED BY OAKWOOD CENTER, LLC. LOCATED IN OAKWOOD COMMUNITY REINVESTMENT AREA NO. 1 AND AUTHORIZING THE MAYOR TO ENTER INTO A MUNICIPAL INCOME TAX REVENUE SHARING AGREEMENT WITH THE BOARD OF EDUCATION OF THE BEDFORD CITY SCHOOL DISTRICT

**Warren** asked if there were any questions, hearing none.

First Reading

Ord 2021-06

*Oakwood Ctr LLC-McBee*

Introduced 1-19-2021 by

Mayor & Council as a whole

AN ORDINANCE DECLARING IMPROVEMENTS TO CERTAIN PARCELS WITHIN THE VILLAGE TO BE A PUBLIC PURPOSE, EXEMPTING THE IMPROVEMENTS TO SUCH PARCELS FROM REAL PROPERTY TAXATION FOR A PERIOD OF THIRTY YEARS, AUTHORIZING THE MAYOR TO ENTER INTO AN AGREEMENT WITH THE BOARD OF EDUCATION OF THE BEDFORD CITY SCHOOL DISTRICT REGARDING SUCH EXEMPTION, REQUIRING THE OWNERS OF SUCH PARCELS TO MAKE SERVICE PAYMENTS IN LIEU OF TAXES, ESTABLISHING AN URBAN REDEVELOPMENT TAX INCREMENT EQUIVALENT FUND FOR THE DEPOSIT OF SUCH SERVICE PAYMENTS PURSUANT TO OHIO REVISED CODE SECTIONS 5709.41, 5709.42, AND 5709.43, AND DECLARING AN EMERGENCY

**Warren** asked if there were any questions, hearing none.

First Reading

MOTION TO ADJOURN made by Rogers seconded by Callender.

YES VOTES: Warren, Gaither, Callender, Hardin, Sanders, Rogers, Williams

Adjourned 7:14pm

Adopted \_\_\_\_\_

\_\_\_\_\_  
Debra L. Hladky, Clerk of Council

\_\_\_\_\_  
Johnnie Warren, Council President