



THE CITY OF
Zanesville

401 Market Street • Zanesville, Ohio 43701

Zanesville City Council Clerk

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Council – Mayor Government

ZANESVILLE CITY COUNCIL

Community Development Committee Agenda

June 26, 2023 at 5:00 p.m.

Located in Council Chambers on the 2nd floor of Zanesville City Hall

This meeting is open to the public to attend in person or
remotely by using the information below.

This meeting is for discussion pertaining to the upcoming Ordinances, Resolutions, and discussion items of the Community Development Committee for review as follows:

1. **Roll Call**
2. **Approval of Minutes of May 18, 2023**

ORDINANCES FOR ACTION

1. **Ordinance 2023-61-An Ordinance authorizing the City of Zanesville to enter into a Community Reinvestment Area agreement with Elysa's Interiors, LLC and declaring an emergency.**

DISCUSSION ITEMS:

1. Kemp Properties Update
2. CDBG 2021 and 2023 Update
3. Demolition of Blighted Structures Update

This meeting is open to the public who may attend by phone or via the Internet using the information below.

Phone 1-844-621-3956 US Toll Free or 1-415-655-0001 US Toll Use Access Code: **126 750 8098 #**

Online with WebEx- Enter **zanesvillecity.webex.com** in web browser. Enter Meeting Information: **126 750 8098**

COMMUNITY DEVELOPMENT COMMITTEE MEETING – MAY 18, 2023

The Zanesville City Council Community Development Committee met at 4:30 p.m. on Thursday, May 18, 2023 in the Council Chambers of City Hall.

Mr. Baker: Welcome to this Community Development Committee meeting in City Council’s Chambers, May 18, 2023. It is 4:30 p.m. Can we have roll call, please?

The committee members present were: Councilperson Mark Baker, Chairman; Councilperson Todd Ware for Third Ward; and Councilperson Brad Wolfe for Fourth Ward. Councilperson Jan Bradshaw for Second Ward was absent.

Others in attendance were:

Billie Corns, Clerk of Council
Chris Crook, Redevelopment Administrator

Matt Schley, Community Development Director
Mathieu Walton, IT Technician

APPROVAL OF MINUTES OF MARCH 27, 2023

Mr. Baker: Hearing a quorum, we’ll move on to the approval of the minutes of March 27, 2023. Do I hear a motion to accept the minutes?

Mr. Ware moved to approve the minutes of March 27, 2023, and Mr. Wolfe seconded the motion.

Mr. Baker: Hearing a motion and a second, those in favor of approving said minutes, say aye. Those opposed say nay.

A voice vote was taken with all present in favor. None were opposed.

Mr. Baker: The minutes are accepted.

ORDINANCES

3. Ordinance No. 2023-53 – An Ordinance approving the annexation of approximately 5.6 acres owned by the Zanesville City School District and the Muskingum Valley Park District to the City of Zanesville and Declaring an Emergency.

Matt Schley: So, at the last council meeting, we passed the consent ordinance, as well as the service and zoning ordinance. Under state law, there are basically three ordinances, three pieces of legislation that have to be passed by the municipality in order to accept an annexation. Once you get through the first two steps, which is consent and service & zoning, it goes back to the Commissioners. The Commissioners then say yes everything is in order and kick it back to the municipality for final acceptance. There are very stringent timelines in the Ohio Revised Code on time for the municipality to respond, thus the emergency clause in this ordinance.

What this is if it wasn't explained, a kind of funky timelines when it came down to the previous ordinances. So I'll just briefly explain it. There is a portion of Zanesville City Schools behind the Middle School that is primarily their soccer field that was actually in Falls Township. Additionally, there is a section of Joe's Run Trail that was not in the city; it was in the township. And it was one of those things where it just got missed when everything was being developed and put together. So this is more of a cleanup action than it is a development action. The schools and the Park District have been great partners. Once we found out, we brought it to their attention, and they immediately started working on trying to rectify the problem. So, not a development thing. There's really no opposition to this, so it should be good to go.

Mr. Baker: Okay. So Matt, this won't substantially change anything, other than just bookkeeping and plat allotments and that sort of thing?

Matt Schley: Absolutely, it won't change anything.

Mr. Baker: Okay. Does the rest of the committee have anything? It seems to be pretty straightforward as far as the bookkeeping thing. Hearing nothing, I will entertain a recommendation to City Council to approve this as an ordinance with invoking the emergency clause.

Mr. Wolfe made a motion to recommend for passage by City Council. It was seconded by Mr. Ware.

Mr. Baker: Hearing a motion and a second, those in favor of such recommendation please say aye. Those opposed say nay.

A voice vote was taken with all present in favor. None were opposed.

Mr. Baker: The ayes have it, and it's hereby recommended as an emergency.

DISCUSSION ITEMS:

4. 600 Block of Main Street

Matt Schley: So, we'll kind of take a half step back, and then we'll get into it. So, as all Council is aware, the Building Division, the Code Enforcement Division, as well as the Weed and Litter Division, have been moved under Community Development. That made sense logistically, as well as administratively. They're intertwined. As such, Community Development was always working on the 600 Block of Main Street. However, now that Code Enforcement and Building and such is underneath Community Development, it's just everything is under this umbrella. So, this committee will be reviewing and hearing anything related to Code Enforcement, as well as the stuff you guys were used to with Planning & Zoning. So to get you guys up to speed, I'm not sure how many of the committee members are aware of the situation at the 600 Block. I don't know, any background on it at all?

Mr. Baker: I haven't heard anything for a while.

Mr. Ware: Yes, about the buildings?

Matt Schley: Yes, about the buildings and the condition of it.

Mr. Ware: Yes, the conditions of the building. We haven't heard that in over a year, but I'm aware of it, yes.

Matt Schley: Okay, so I'll bring everybody up to speed on what has happened. The buildings continue to deteriorate. We are lucky. We had a fairly mild winter in terms of snowfall. When it comes to buildings in poor condition, snowfall is kind of the biggest problem. The entire rear portion of these buildings, it's basically collapsed in on itself. There is no foundation, I should say traditional foundation, in these buildings. It's dirt; it's a dirt floor with steel pillars that are driven into the ground, which has caused the building the twist and shift. Mr. Embrey purchased the properties for a very low price, sub 20 dollars, I don't know if it was 11, 12, 13, I don't remember. It was under 20 bucks for all of the buildings.

Mr. Baker: Well that amount makes a difference, Matt.

Matt Schley: I know it does. It could make or break a project.

Mr. Baker: Double digits.

Matt Schley: Mr. Embrey has hopes and aspirations to rehabilitate these buildings. To date, some work has been done. However, there's not been structural work done. And by structural work, we mean, shoring, rebuilding, demo of portions because there's some part of these buildings you're not going to be able to save. It's just common; this happens. Mr. Embrey has a contractor from Columbus. His name is Chris Smith, but I don't remember his company's name off the top of my head. I spoke with him recently. Nate has a contract with him to draw plans for the demolition and rehabilitation of these properties. Mr. Smith, as of yesterday, informed me that no contract for actual physical labor has been signed by Mr. Embrey. So while plans and other things are great, but these properties continue to sit open and unsecured. When I say that, I don't mean like homeless people getting in and tearing it up. I mean like, you can see the blue sky above when you're in the middle of these buildings, which is a problem. Even a lay person can understand that.

We're at the point where we're going to have this item on our agenda from now until this gets resolved. And the reason is, I want to be able to explain to Council where we are. If you guys remember a few years ago, these were very contentious buildings. There are a lot of people in our community that love these buildings. They're cool, they're big, they're block, and they're next to a lot of things. They're on Main Street, so that's important. However, problems arise, and we as a city need to come up with plans of action to protect our downtown, protect our corridor, help protect adjoining properties, and ultimately work towards the best solution. Obviously the best solution is a private entity comes in. You know, Nate comes and signs the contract, boom, done, and they start doing the

work. The decision is going to have to come very quickly, and Nate is going to have to tell us what he's doing. And that's kind of where we're trying to get to.

In the state budget and the proposed state budget for 2024, because remember, they start in the middle of the year for budgets. There will be \$500 million available for demolition brownfield remediation. That money could be utilized to rectify this problem. However, I think everyone in this room can understand why we would not want to walk down that road unless it was what I would call like a nuclear option. Right, there's no other option, we're stuck, and we need to do it. We also don't want to let this pass us by. This is free money. We would not want to watch, sit and wait and listen to promises without action while this money gets spent elsewhere and then ultimately this City Council has to make a decision on how much we're willing to spend to rectify the problem.

So all of that being said, this is just the introduction to this committee because I know it's not something this committee has been actively working on. Jan has been involved in this because she was on the Code Enforcement Committee so she's aware, and I will fill her in separately because she was not able to join us tonight. I want to be very clear that it is not my intention to wish that these buildings come down. I want to be very clear, and I do not believe that it is the city's intention that we tear these properties down because obviously we have a lot of projects to do and a lot of things on our plates. We would like to see Mr. Embrey be successful. I think right now there's still a lot of questions, and I will be working with Mr. Embrey and try to get those answers. But I just want this committee aware.

Mr. Baker: So, Matt, can you give us a better sense of where Mr. Embrey is in the process? I mean, are plans and contracts ready to be signed, but there's a problem with financing? Or is it just still amorphous and like nailing jelly to the wall at this point?

Matt Schley: Here's what I can tell you, and this is just based on my conversation with Mr. Smith and his contracting company, who spoke at a Code meeting last month. Contracts are ready to be signed to do the phase 1, which is demolition of the rear portion of the property that is failing and securing of the façade that's on Main Street. Plans are in place; the plans are done on that. They're ready to rock 'n roll. They could start, in his words, tomorrow. He could have crews ready and mobilizing to do this. The contracts are ready to be signed anytime. Mr. Smith did not give any indication as to why contracts weren't signed. He did not give any indication on Mr. Embrey's financing and nor have I asked those questions, and I would not give that publicly out. That's not my place, right? But I will find out more information on that process.

Mr. Baker: Yes, we definitely need some more dots to connect to understand where exactly we are obviously in the process. In that \$500 million that you mentioned, is that state money, did you say?

Matt Schley: It is. It comes from the state. So for everyone's knowledge, this is the money that was awarded for us to do phase 2 assessments of the Lear property, as well as the demolition of Munson School.

Mr. Baker: So this has been awarded already?

Matt Schley: This is a redo of that pot of money that we were able to tap into.

Mr. Baker: Oh I see. So would that require, I would assume, more grant applications and that whole process?

Matt Schley: It would. This is something we would obviously work with the land bank on to try to make who's going to be the primary applicant, depending on how the program shakes out. My conversations with the state has been, they want to roll this funding out quickly. The last time it took them about 6-7 months from the time the budget was created to the time they awarded the grants. They want to cut that in half. So we'd be looking by most likely October grants being awarded.

Mr. Baker: Do you foresee us in a pretty good position to get a chunk of that then that we would need?

Matt Schley: Yes, I do believe that we would. In fact I would probably go as far to say as that I think we have a decent shot of getting the whole thing funded if we wanted to go that route.

Mr. Baker: So, considering that this is private property, is that a consideration in that we're applying for grant money to be applied to a private project?

Matt Schley: That's a very valid point. I can't speak on what it's going to look like in the new round, but I can speak about the previous round. The previous round required an agreement, so to speak, with the property owner that both parties come together and agree that this will be good for the community.

Mr. Baker: So I would assume that in order to make a grant application palatable to the state so that we would have as much chance as possible to get a chunk of that, Mr. Embrey would probably have to have plans in place? The city would have to agree with those plans? Other financing that would complete those plans would more than likely have to be secured and in place as well?

Matt Schley: Absolutely.

Mr. Baker: So there's a lot of steps, and when is this money going to be available? Did you say? When is the application process?

Matt Schley: So technically the money would be available July 30. However, there's time it takes to set these portals and applications up. The state is anticipating awards being sometime in October. So I would say the application period would open up sometime at the end of August, beginning of September. The state typically does a 30-day window to make these applications, and they're done this now. They're not creating a new program, so they'd be able to...

Mr. Baker: So we're talking about five months between now and when all of the aforementioned dots need to be connected by Mr. Embrey and by us. Is that right?

Matt Schley: Yes.

Mr. Baker: For the state?

Matt Schley: Yes.

Mr. Baker: Okay. And I'm sure that when you go fact-finding or whatever you want to call it, Mr. Embrey is aware or will be made aware of...

Matt Schley: He will be made fully aware. We would need him to be onboard with us.

Mr. Baker: Sure.

Matt Schley: I mean, because we couldn't make the application if he wasn't onboard with it, nor would I want to, right?

Mr. Baker: Well I mean, that's the whole point...

Matt Schley: We want to solve this problem amicably. We know it's a problem. We don't, like I said, to be very clear in the minutes and everything, it's not our intention to railroad, but I want to make sure that we are walking down the correct path and not letting this thing sit any longer than it has to.

Mr. Baker: So the best of all worlds of all possibilities would be that Mr. Embrey comes up with the plans, secures the financing, comes to an agreement with us, we make the application to the state, the state grants us and him, I guess, a big chunk of change, enough to do the project, and everybody's happy. And on the other end of that spectrum is that we don't come to an agreement, we wait for the grant application deadline to pass, and then we find out that we have to tear the place down anyway without state funding. Is that...

Matt Schley: That's the worst-case scenario, yes. Yes, that would be worst-case scenario.

Mr. Baker: Sure, that's the spectrum. Okay.

Matt Schley: There is like a little branch I would throw in there, that Nate signs a contract and gets working on it, and he funds it all on his own. And actually not tear it down, but rehab it, and fix it. There's kind of like that three avenue you could walk down, right? And we just got to figure out which one we want to go down.

Mr. Ware: And they have shared walls, right? Shared support walls?

Matt Schley: Yes, that does complicate some things. He does share walls with a property, we'll say to the east, Ms. Labaki's property, which does complicate things.

Mr. Ware: How many total, how much land is there with the buildings that's in question?

Matt Schley: About a quarter, a little bit over a quarter of an acre, if you include Ms. Labaki's. The issue isn't the acreage, right? It is downtown buildings, so it's the height. So it's three stories with a basement, which is substantial.

Mr. Ware: With a dirt floor?

Matt Schley: With dirt floor and a steel superstructure.

Mr. Wolfe: Mr. Chair? A question. Matt, does the city have the ability to have any surety about this or do we have some already from Mr. Embrey as to his ability to complete the project?

Matt Schley: Calculate my answer properly. I would say there has been nothing in writing. There has been no plans submitted to my office. Plans have been submitted to Mid-East Ohio, and Mr. Baughman has approved those plans. However, other than word of mouth, no, nothing.

Mr. Wolfe: How about a timetable? I thought at one time there was a timetable.

Matt Schley: There was a timetable. I wasn't able to get in touch with Jason today, but it is my understanding that timetable has passed, the original one. And I believe Mr. Embrey is asking for one that extends out through this year.

Mr. Wolfe: And do we have the ability to agree or disagree with that?

Matt Schley: Yes we do. We do. I have not formally seen the new timetable or had that conversation with Jason. I planned on meeting with him tomorrow morning about 9:00. I can let this committee know following that meeting what transpired.

Mr. Wolfe: I think that's something we should work on because every day that goes by, those buildings are just getting worse.

Matt Schley: Absolutely, absolutely.

Mr. Baker: Anything else, Matt?

Matt Schley: No, I got 10 minutes to finish up the last two things.

Mr. Baker: Okay, anything else for that real quick? We good? All right, let's move on.

5. CDBG 2023 Allocation Program

Matt Schley: So, let's talk about this. The state brought back the Block Grant Allocation Program. For those of you who don't know, the City of Zanesville is an allocation community. We're not a federal

direct community. What that means is that we get part of a state set aside of money that comes to the city for the purpose of doing various projects within the city. The city is awarded \$184,000 if we can provide them an eligible project. We've had our first, what we call an All Grants meeting. I hate to say, but they're always poorly attended. It is just difficult to get people to come to those because it is a citywide thing. What we do in Community Development is we try to find projects that not only provide the most bang for our buck, but also are easy to manage. And I say easy to manage because I'm certain there's not many people in the world who handle federal grants, but they are robust and arduous and, they're big with lots of paperwork and lots of moving parts. And you got to be on your ball.

Right now, the project that has shaken out from the first meeting is Cliffwood, the east side of Cliffwood side or the west side of Cliffwood sidewalk replacement. That project estimated comes out to \$194,000, so it is \$10,000 over. Our block grant limitation, however, after conversations with Service, we find that we can use some of our Stormwater Enterprise funds to make up the difference in the gap. Our goal would be that this would be the first project on Cliffwood we would do. And then this is on a 2-year cycle, so in the 2025 Allocation, if the state keeps it, we would do a second tranche on Cliffwood. And then 2027 Allocation, we would finish it, and that would lead us to Putnam Hill Park. That would be our goal.

I will say if the state continues to fund it. There has been conversations in the past that the state would go away from the direct allocation model and go to something called Targets of Opportunity. As a city, we do not qualify well for Targets of Opportunity. Part of that reason is you need to hit five components. You need to have private investment and a bunch of other things along with that. It just, it's difficult for a city the size of Zanesville, where we have the need for these projects, to hit those. So that's where we're at with that. There are a couple other projects that have been thrown out there, some other trails, other walking things. But when you look at the biggest bang for our buck, you know, it's trying to connect a neighborhood down to a park in a 6-year period. That's a big project. That's a good project for this community. Any questions on that?

Mr. Baker: Okay. Moving on to our last item.

6. Downtown Summer Concerts

Matt Schley: Well, so I'm proud to report that the total cost of our concerts was about \$64,000, and we raised \$67,000. So, kudos to my staff. Stephanie Winland is fantastic at raising funds and doing those things. And thanks to the community. I want to be very clear; the community has been fantastic, really rallying behind this. It's helped us flip the script and change the narrative on downtown. Our first concert because I'm going to plug things because I think that's important, and I hope that you can make time to attend any one of them at least this year because without Council, we couldn't do these things because Council had to authorize us to spend the money.

The first concert is Thunderstruck; that is June 1. The second one is called the Naked Karate Girls; that is June 15. If you're a Bengals fan, I'm not, but if you are (I have to say I'm not, I am a Browns fan, so it would be blasphemy), the Naked Karate Girls are the Bengals party van that you see on TV. June 29 is the Conspiracy Band. It's a variety, an R&B band, very popular. July 13 is A1A, Let's Get Tropical. It's a

Jimmy Buffett tribute. July 27 is North to Nashville. It's a country band headed up by a former Ohio State football player. August 10 is the Arena Rock Show. It's a tribute to classic rock 'n roll. September 7 is Southern Accent, the Tom Petty experience.

We tried to hit a wide variety and range of music. We start this thing where we whittle bands down from about 50 and try to plug and play where we can make them fit. I have some of these [concert schedule brochures] for everyone. If you want one, it's yours, just to be a little reminder. Everything starts at 5:00, and we hope to see you guys there.

Mr. Baker: Thank you Matt, sounds good. I love going down there. It's just a fantastic experience.

Matt Schley: It is a lot of fun. You get to see a lot of things.

At this time, Matt Schley passed the schedules out to councilmembers and the clerk.

Matt Schley: We're fortunate. It takes a lot of people, a lot of effort, and a lot of work to get these things done. And we couldn't do it without the community, without Council, without city employees, and the economic benefit.

Mr. Ware: That Jimmy Buffett is not the same one as last year?

Matt Schley: No, a different one. That is Jimmy Buffett's actual touring band. The A1A, when Jimmy Buffett comes to the eastern part of the United States, they're the ones that play with Jimmy. So, like it's actually Jimmy Buffett's band, minus Jimmy. We couldn't get Jimmy. I tried. I really tried. They said he spends his summer on a beach somewhere now.

Mr. Baker: We've got Dillon, and it's a beach.

Matt Schley: I think he thinks Florida. I think he likes the white sand.

Mr. Baker: Okay, anything else?

Matt Schley: No, I just want to say thank you to the committee for accommodating the schedule. Chris is on my staff now as a Redevelopment Administrator. I have Emily Shirley joining us as an Associate Planner, and then Alexis Buchanan is an Associate Planner as well. We're getting staffed up. We have a lot of great projects, and we'll keep you guys in the loop.

Mr. Baker: Thanks Matt. Anything else for the good of the committee? Hearing nothing, I will entertain a motion to adjourn.

Mr. Ware made a motion to adjourn. It was seconded by Mr. Wolfe. Mr. Baker asked for all in favor of adjourning to say aye. All were in favor. None were opposed. Motion carries.

The next Community Development Committee meeting will be June 26, 2023 in the Council Chambers at Zanesville City Hall.

Regular scheduled meetings with the next dates as follows:

Monday, June 26, 2023

Monday, July 24, 2023

Monday, August 28, 2023

Monday, September 25, 2023

Monday, October 23, 2023

Monday, November 27, 2023

Tuesday, December 26, 2023

The meeting was adjourned about 4:56 p.m.

Submitted by Billie Corns
Clerk of Council

Mark Baker, Chairman of the
Community Development Committee

COMMUNITY DEVELOPMENT DEPARTMENT
MATTHEW SCHLEY, DIRECTOR

**ORDINANCE NO. 2023 – 61
INTRODUCED BY COUNCIL**

**AN ORDINANCE AUTHORIZING THE CITY OF ZANESVILLE TO ENTER
INTO A COMMUNITY REINVESTMENT AREA AGREEMENT WITH
ELYSA’S INTERIORS, LLC AND DECLARING AN EMERGENCY.**

WHEREAS, the Council of the City of Zanesville desires to pursue all reasonable and legitimate incentive measures to assist in encouraging economic and community development; and

WHEREAS, by Ordinance No. 06-10 dated January 23, 2006, the Council created the Downtown Community Reinvestment Area, as reaffirmed by Ordinance No. 03-107, dated December 24, 2003, as amended by Ordinance No. 2023-02 on January 23, 2023, which amended the boundaries of the area (collectively, the “CRA Ordinance”); and

WHEREAS, Elysa’s Interiors, LLC, an Ohio limited liability company (the “Developer”), is currently the sole owner of property located at 522 Market Street, Zanesville, Ohio 43701 which real property currently has been assigned tax parcel number 81-64-01-06-000 in the Muskingum County Auditor’s Office (the “Project Site”); and

WHEREAS, the Project Site is within the boundaries of the aforementioned Community Reinvestment Area established by the CRA Ordinance; and

WHEREAS, the Developer desires to participate in the Community Reinvestment Area program; and

WHEREAS, the Developer wishes to enter into a community reinvestment area agreement (the “CRA Agreement”) to receive an exemption from taxation for the construction and redevelopment of the existing building into business and residential units (the “Project”); and

WHEREAS, the Project Site is located within the Zanesville City School District (the “School District”) and the Mid-East Ohio Joint Vocational School District (the “JVSD”) and the Boards of Education of each of the School District and the JVSD has been notified of the proposed approval of the CRA Agreement in accordance with Sections 3735.671 and 5709.83 of the Ohio Revised Code, or has waived such notice, and has been given a copy of the Application and a draft of the CRA Agreement; and

WHEREAS, the City of Zanesville desires to enter into the CRA Agreement in order to provide the exemptions from taxation as described herein in accordance with the City’s Community Reinvestment Area program; and

ORDINANCE NO. 2023 – 61

WHEREAS, this Order is necessary to preserve the health, safety, and welfare of the citizens of Zanesville as it is required to move forward with the process for state certification and offering tax incentives as soon as possible to attract business development into and to allow for the expedient construction of businesses in the City of Zanesville, and should therefore be considered an emergency measure.

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF ZANESVILLE, OHIO:

SECTION ONE: That the Council of the City of Zanesville hereby grants a tax exemption for real property improvements consisting of the Project pursuant to ORC Section 3735.67 which exemption shall be in the amount of 75% for a period of 12 years commencing in the first year for which the Project would first be taxable were that property not exempted from taxation.

SECTION TWO: That the CRA Agreement in the form presently on file with the City Clerk, providing for, among other things, the provision of the real property tax exemption for the Project, is hereby approved and authorized with changes therein and completions thereto not inconsistent with this ordinance and not substantially adverse to this City and which shall be approved by the Mayor. The Mayor, for and in the name of this City, is hereby authorized to execute and deliver that CRA Agreement and any amendments thereto that do not increase the percentage or number of years of the tax exemption, provided further that the approval of changes, completions or amendments thereto by that official, and their character as not being substantially adverse to the City, shall be evidenced conclusively by the Mayor's execution thereof.

SECTION THREE: That the Council further hereby authorizes the Mayor, the Community Development Director, the Finance Director and the Law Director, and other appropriate officers of the City, to sign those agreements, certificates, and instruments; submit or file any documents or materials as necessary or appropriate; make those arrangements; and take any other actions as are necessary or appropriate to carry out the purposes of this Ordinance and the CRA Agreement, and facilitate the tax exemption described herein.

SECTION FOUR: It is hereby found and determined that all formal actions of this Council concerning and relating to the passage of the ordinance were adopted in an open meeting of Council, and that all deliberations of the Council and any of the decision-making bodies of the City of Zanesville which resulted in such formal actions were in meetings open to the public in compliance with all legal requirements of the State of Ohio.

SECTION FIVE: For the reasons stated in the preamble hereto, the Ordinance is hereby declared to be an emergency measure and being an emergency, provided that it receives the affirmative votes of six or more members of Council elected thereto, shall take effect and be in force immediately upon its passage and approval of the Mayor. Otherwise, it will take effect and be in force from and after the earliest period allowed by law.

ORDINANCE NO. 2023 – 61

PASSED: _____, 2023

Billie Corns
Clerk of Council

Daniel M. Vincent
President of Council

APPROVED: _____, 2023

This legislation approved as to form:

Donald Mason, Mayor

Law Director's Office

COMMUNITY REINVESTMENT AREA AGREEMENT

This COMMUNITY REINVESTMENT AREA AGREEMENT (this “Agreement”) made and entered into as of _____, 2023 (the “Effective Date”) by and between the CITY OF ZANESVILLE (the “City”), a municipal corporation in the State of Ohio (the “State”), through the Zanesville City Council (the “Council”), and Elysa’s Interior, LLC, an Ohio limited liability company with offices located at 406 Olive St. Zanesville, OH 43701 (the “Developer”).

WITNESSETH:

WHEREAS, the City desires to pursue all reasonable and legitimate incentive measures to assist, encourage, and stimulate development in specific areas of the City that have not enjoyed sufficient reinvestment from remodeling or new construction; and

WHEREAS, pursuant to Ohio Revised Code (“R.C.”) Sections 3735.65 through 3735.70 (the “CRA Act”) and by Ordinance No. 06-10 dated January 23, 2006, the Council created the Downtown Community Reinvestment Area (the “CRA”), as reaffirmed by Ordinance No. 03-107, dated December 24, 2003, as amended by Ordinance No. 2023-02 on January 23, 2023, which amended the boundaries of the area (collectively, the “CRA Ordinance”); and

WHEREAS, WHEREAS, the Developer is currently the sole owner of property located at 522 Market Street, Zanesville, Ohio 43701 which real property currently has been assigned tax parcel number 81-64-01-06-000 in the Muskingum County Auditor’s Office (the “Project Site”); and

WHEREAS, the Developer has submitted to the City an application for a community reinvestment area agreement (the “Application”), a copy of which is attached hereto as Exhibit A; and

WHEREAS, the Developer proposes for the Project Site improvements to real property, to include remodeling of an existing commercial structure to accommodate commercial activity and housing (the “Project”) (each individual building within the Project, with its related site improvements, may be referred to hereinafter from time to time as a “Building”), provided that the appropriate development incentives are available to support the economic viability of the Project; and

WHEREAS, pursuant to R.C. Section 3735.67(A), the City and the Developer desire to formalize their agreement with respect to matters hereinafter contained; and

WHEREAS, the Project Site is located within the Zanesville City School District (the “School District”) and the and the Mid-East Ohio Joint Vocational School District (the “JVSD”) and the Boards of Education of each of the School District and the JVSD has been notified of the proposed approval of the CRA Agreement in accordance with Sections 3735.671 and 5709.83 of the Ohio Revised Code, or has waived such notice, and has been given a copy of the Application and a draft of the CRA Agreement; and

WHEREAS, the Council, by Ordinance No. 23-____, adopted on _____, 2023 has approved the terms of this Agreement and authorized its execution on behalf of the City;

NOW, THEREFORE, in consideration of the mutual covenants hereinafter contained and the benefit to be derived by the parties from the execution hereof, the receipt and sufficiency of which are hereby acknowledged, the parties herein agree as follows:

1. Project. The Developer shall construct the project. The Project will involve a total investment by the Developer of approximately \$276,731.00 of hard costs. Construction of the Project is estimated to begin on or before July 30, 2023. The estimates provided in this Section are good faith estimates and shall not be construed in a manner that would limit the amount or term of the tax exemptions provided in this Agreement.

2. Employment and Payroll. The Developer expects to create at the Project, according to the schedule below, the equivalent of 1 new part-time permanent job opportunities, Developer currently has 1 full-time equivalent permanent employees. The increase in the number of employees as a result of the Project is expected to result in an increase in permanent payroll of at least \$42,000 per year. The project is estimated to retain \$125,000 in annual payroll.. The estimates provided in this Section are good faith estimates and shall not be construed in a manner that would limit the amount or term of the tax exemptions provided in this Agreement.

3. Provision of Information. Developer shall provide to the proper tax incentive review council (the "TIRC") any information reasonably required by the TIRC to evaluate the compliance of Developer with the Agreement, including returns or annual reports of Developer filed pursuant to R.C. Section 5711.02 (if any) if requested by the TIRC.

4. Real Property Tax Exemption. The City hereby grants a twelve (12) year, 75% real property tax exemption pursuant to R.C. Section 3735.67 for the increase in the assessed value after remodeling of the existing structure at the Project Site. The exemption commences the first year such real property improvement would first be taxable were that property not hereby exempted from taxation. The exemptions set forth in this Section shall apply irrespective of whether the real property is owned by Developer, or any assignee or other successor in interest to Developer.

5. Payment of Non-Exempt Taxes. The Developer and any assignee or successor of Developer (hereinafter, "Owner(s)") shall pay such real property taxes as 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 Developer fails to pay such taxes or file such returns and reports, all incentives granted under this Agreement are rescinded beginning with the year for which such taxes are charged or such reports or returns are required to be filed and thereafter.

6. Cooperation of the City. The City shall perform such acts as are reasonably necessary or appropriate to approve, effect, claim, reserve, preserve, and maintain the 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. The City shall give its fullest cooperation in the development of the Project,

including, but not limited to: (i) the timely review, processing, and approval of all building, zoning, or other permits, and (ii) all other activities related to the Project.

7. Revocation of CRA. If for any reason the City revokes or purports to revoke the designation of the CRA, entitlements granted under this Agreement shall continue for the number of years specified in this Agreement, unless Developer or an Owner materially fails to fulfill its obligations under this Agreement and such failure is not corrected within thirty (30) days of written notice thereof to Developer or such Owner, and consequently, the City terminates or modifies the exemptions from taxation granted in this Agreement with respect to property of Developer or such Owner from the date of the material failure. Any such termination or modification, as provided in this Section, shall have no effect on exemptions from taxation granted in this Agreement with respect to property of Owners other than such defaulting Owner(s), or property of the Developer if the Developer is in default. Except for any amendment, revocation, modification, suspension or termination otherwise permitted under this Agreement, the City agrees that it will not amend or revoke the CRA designation as to the Project Site, or modify the incentives available under that designation for the Project Site, prior to January 1, 2040.

8. Certification as to No Delinquent Taxes. The Developer hereby certifies for itself that at the time this Agreement is executed, (i) it does not owe any delinquent real or tangible personal property taxes to any taxing authority of the State and does not owe delinquent taxes for which it is liable under Chapter 5733, 5735, 5739, 5741, 5743, 5747, or 5753 of the Revised Code, or, if such delinquent taxes are owed, it is currently paying the delinquent taxes pursuant to an undertaking enforceable by the State or an agent or instrumentality thereof, (ii) it has not filed a petition in bankruptcy under 11 U.S.C.A. § 101, *et seq.*, and (iii) no such petition has been filed against it. For the purposes of this 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.

9. Termination, Suspension or Modification Upon Default. If Developer or an Owner materially fails to fulfill its obligations under this Agreement and such failure is not corrected within thirty (30) days of written notice thereof to Developer or such Owner (provided, however, that such opportunity to cure such default shall not, under any circumstance, and notwithstanding anything to the contrary in this agreement, toll or otherwise suspend any obligation of Developer, Owner or Commercial Occupant to pay any non-exempt taxes, real property taxes, or municipal income taxes), or if the City determines that the certification as to delinquent taxes required by this Agreement is fraudulent, the City may terminate, suspend or modify the exemptions from taxation granted under this Agreement with respect to property of Developer or the Owner which is in such default or which has made such fraudulent certification, from the date of the material failure. Any such termination, suspension, or modification, as provided in this Section, shall have no effect on exemptions from taxation granted under this Agreement with respect to property of Owners other than such defaulting Owner(s), or Developer if Developer is not in default.

10. Non-Discrimination. By executing this Agreement, the Developer commits to following non-discriminatory hiring practices and non-discriminatory housing practices, acknowledging that no individual may be denied employment or housing solely on the basis of race, religion, sex, sexual orientation, disability, color, national origin, ancestry, or familial status.

11. Assignment. This Agreement is not transferable or assignable without the express, written approval of the City.

12. Revocation of Exemptions. Developer represents that it is not ineligible to enter this Agreement under division (C) of Section 3735.671 of the Ohio Revised Code. Exemptions from taxation granted under this Agreement shall be revoked with respect to Developer or to an Owner if it is determined that such violating Owner, any successor enterprise to such violating Owner, or any related member of such violating Owner (as those terms are defined in division (C) of Section 3735.671 of the Ohio Revised Code) has violated the prohibition against entering into the Agreement under Division (C) of Section 3735.671 or Section 5709.62 or 5709.63 of the Ohio Revised Code prior to the time prescribed by that division or either of those sections. Any such revocation, as provided in this Section, shall have no effect on exemptions from taxation granted under this Agreement with respect to property of Owners other than such violating Owner(s).

13. Counterparts. This Agreement may be signed in one or more counterparts or duplicate signature pages with the same force and effect as if all required signatures were contained in a single original instrument. Any one or more of such counterparts or duplicate signature pages may be removed from any one or more original copies of this Agreement and annexed to other counterparts or duplicate signature pages to form a completely executed original instrument.

14. Severability; Construction; Headings. If any provision of this Agreement or the application of any such provision to any such person or any circumstance shall be determined to be invalid or unenforceable, then such determination shall not affect any other provision of this Agreement or the application of such provision to any other person or circumstance, all of which other provisions shall remain in full force and effect. If any provision of this Agreement is capable of two constructions one of which would render the provision valid, then such provision shall have the meaning which renders it valid. The captions and headings in this Agreement are for convenience only and in no way define, limit, prescribe or modify the meaning, scope or intent of any provisions hereof.

15. Notices. Any notices, statements, acknowledgements, consents, approvals, certificates or requests required to be given on behalf of any party to this Agreement shall be made in writing addressed as follows and sent by (i) registered or certified mail, return receipt requested, and shall be deemed delivered when the return receipt is signed, refused or unclaimed, (ii) by nationally recognized overnight delivery courier service and shall be deemed delivered the next business day after acceptance by the courier service with instructions for next-business-day delivery, or (iii) by facsimile transmission and shall be deemed delivered upon receipt of confirmation of transmission:

If to the **City**, to:

City of Zanesville
Attn: Community Development Department
401 Market Street
Zanesville, OH 43701

If to the **Developer**, to:

Elysa's Interiors, LLC

406 Olive Street

Zanesville, OH 43701

or to any such other addresses as may be specified by any party, from time to time, by prior written notification.

16. R.C. Section 9.66 Covenants. Developer affirmatively covenants that it has made no false statements to the State or any local political subdivision in the process of obtaining approval of the CRA tax exemptions; and that it does not owe: (i) any delinquent taxes to the State or a political subdivision of the State; (ii) any moneys to the State or a State agency for the administration or enforcement of any environmental laws of the State; and (iii) any other moneys 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. If any representative of Developer has knowingly made a false statement to the State or any local political subdivision to obtain the CRA tax exemptions, Developer shall be required to immediately return all benefits received by it under this Agreement pursuant to R.C. Section 9.66(C)(2) and Developer shall be ineligible for any future economic development assistance from the State, any State agency, or a political subdivision pursuant to 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 R.C. Section 2921.13(D)(1), which is punishable by a fine of not more than \$1,000 and/or a term of imprisonment of not more than six (6) months.

17. Estoppel Certificate. Upon request of Developer, the City shall execute and deliver to the Developer or any proposed purchaser, mortgagee or lessee a certificate stating: (a) that the Agreement is in full force and effect, if the same is true; (b) that Developer is not in default under any of the terms, covenants or conditions of the Agreement, or if Developer is in default, specifying same; and (c) such other matters as Developer reasonably requests.

18. Entire Agreement. This Agreement and the Ordinance constitute the entire agreement between the Developer and the City pertaining to the subject matter contained herein and therein and supersede all other prior or contemporaneous agreements or understandings between the Developer and the City in connection with such subject matter.

[Remainder of this Page Intentionally Left Blank.]

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their duly authorized representatives as of the date first written above.

CITY OF ZANESVILLE, OHIO

By: _____
Donald L. Mason, Mayor

APPROVED AS TO FORM:

Law Director

Elysa's Interior's LLC

By: _____
Print Name: _____
Title: Member

Note: A copy of this Agreement must be forwarded to the Ohio Development Services Agency by the City within fifteen (15) days of execution.

Attachment for Ordinance 2023-61

EXHIBIT A
TO COMMUNITY REINVESTMENT AREA AGREEMENT

Application for Community Reinvestment Area Agreement

(See attached)



The City of Zanesville

Community Development Department

401 Market Street, Zanesville, Ohio 43701

Phone: (740) 617-4909

Don Mason
Mayor

Matthew A. Schley
Director

APPLICATION FOR COMMERCIAL/INDUSTRIAL COMMUNITY REINVESTMENT APPLICATION

Please fill out this application completely and return to the Community Development Department with a filing fee of \$75.

PROPOSED AGREEMENT for Community Reinvestment Area Tax Incentives between the

The City of Zanesville located in the County of Muskingum and Elysa's Interiors, LLC

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

Elysa's Interiors, LLC
Enterprise Name

Elysa Roberts
Contact Person

406 Olive Street, Zanesville, OH 43701
Address

740-319-2822
Telephone Number

- b. Project site:

Elysa Roberts
Contact Person

522 Market Street, Zanesville, OH 43701
Address

740-319-2822
Telephone Number

2. a. Nature of activity (residential, manufacturing, warehousing, wholesale or retail stores, or other) to be conducted at the site.

Interior design firm.

b. List primary 6 digit North American Industry Classification System (NAICS) #
541410

Business may list other relevant SIC numbers. _____

- c. If a consolidation, what are the components of the consolidation? (Must itemize the location, assets, and employment positions to be transferred:



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Don Mason
Mayor

Matthew A. Schley
Director

d. Form of business of enterprise (corporation, partnership, proprietorship, or other).

LLC

3. Name of principal owner(s) or officers of the business.

Elysa Roberts

4. a. State the enterprise's current employment level at the proposed project site:

2

b. Will the project involve the relocation of employment positions or assets from one Ohio location to another?

Yes _____ No X

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):

Full-time permanent: 1 Part-time permanent: 0

Full-time temporary: 0 Part-time temporary: 1

e. State the enterprise's current employment level for each facility to be affected by the relocation of employment positions or assets:

0

f. What is the projected impact of the relocation, detailing the number and type of employees and/or assets to be relocated?

+1

5. Does the Property Owner owe any of the following:

a. any delinquent taxes to the State of Ohio or a political subdivision of the state?

Yes _____ No X



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Director

b. any moneys to the State or a state agency for the administration or enforcement of any environmental laws of the State?

Yes _____ No X

c. any other moneys 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?

Yes _____ No X

d. If yes to any of the above, please provide details of each instance including but not limited to the location, amounts and/or case identification numbers (add additional sheets).

6. **Project Description:** The structure as is was a shell full of personal items, over the last year and a half we have cleaned the property out and shored it externally.

What we are proposing is a full remodel of all three floors, transforming a derelict structure into a vibrant business and residential units. Cost breakdown attached.

7. **Project will begin July 30th, 2023 and be completed**

December 31, 2025 **provided a tax exemption is provided.**

8. **a. Estimate the number of new employees the property owner will cause to be created at the facility that is the project site (job creation projection must be itemized by the name of the employer, full and part-time and permanent and temporary):**

1

b. State the time frame of this projected hiring:

2 Years



The City of Zanesville

Community Development Department

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Don Mason
Mayor

Matthew A. Schley
Director

c. State proposed schedule for hiring (itemize by full and part-time and permanent and temporary employees):

Full-time permanent: 0 Part-time permanent: 1

Full-time temporary: 0 Part-time temporary: 0

9. a. Estimate the amount of annual payroll such new employees will add
\$42,000.00 (new annual payroll must be itemized by full and part-time and permanent and temporary new employees).

b. Indicate separately the amount of existing annual payroll relating to any job retention claim resulting from the project:
\$125,000.00

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

A. Acquisition of Buildings:	<u>\$ 37,000.00</u>
B. Additions/New Construction:	<u>\$ 0.00</u>
C. Improvements to existing buildings:	<u>\$ 187,531.00</u>
D. Machinery & Equipment:	<u>\$0.00</u>
E. Furniture & Fixtures:	<u>\$ 52,200.00</u>
F. Inventory:	<u>\$0.00</u>

Total New Project Investment: \$276,731.00

b. Based on 2018 appraisal value provided by the Office of the Muskingum County Auditor, the subject property was appraised pre-improvements at a value of \$34,300.00.

11. a. Business requests the following tax exemption incentives:

75 % for 12 years covering real estate as described above. (Be specific as to the rate and term.)

b. Business's reasons for requesting tax incentives (be quantitatively specific as possible)
This project is making significant monetary and cultural investment into the cities predefined community reinvestment area. Without this project, the subject property could easily fall into disrepair and be of little to no value to the city and others.



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Matthew A. Schley
Director

Submission of this application expressly authorizes The City of Zanesville to contact the Ohio Environmental Protection Agency to confirm statements contained within this application including item # 5 and to review applicable confidential records. As part of this application, the property owner may also be required to directly request from the Ohio Department of Taxation, or complete a waiver form allowing the Department of Taxation to release specific tax records to the local jurisdiction considering the request.

The Applicant agrees to supply additional information upon request.

The Applicant affirmatively covenants that the information contained in and submitted with this application is complete and correct and is aware of the ORC Sections 9.66(C) (1) and 2921.13(D) (1) penalties for falsification which could result in the forfeiture of all current and future economic development assistance benefits as well as a fine of not more than \$1,000 and/or a term of imprisonment of not more than six months.

Elysa Roberts

Signature of Property Owner

Elysa Roberts

Printed Name of Property Owner

6/6/2023

Date

Matthew A. Schley

Matthew A. Schley, Director of Community Development

6-6-2023
Date

522 Market St, Zanesville, Ohio

Costs of Rehab

Acquistion \$ 37,000.00

Improvements

Windows \$ 22,131.00
Drywall \$ 15,450.00
Floors \$ 18,450.00
Bathrooms (3) \$ 41,000.00
Electrical \$ 23,000.00
Plumbing \$ 15,000.00
Framing \$ 5,500.00
Roof \$ 32,000.00
Tin Celing Rehab \$ 15,000.00

Improvement Total \$ 187,531.00

Furniture/Fixtures

Desks/Conf Room \$ 7,500.00
Reception Area \$ 8,700.00
Lighting \$ 8,500.00
Showroom \$ 15,500.00
Art Instalations \$ 12,000.00

Fixture Total \$ 52,200.00

Total Investment \$ 276,731.00