

**BUILDING & BUILDING CODES COMMITTEE MINUTES
MARCH 21, 2017**

The Building & Building Codes Committee meeting was held on March 21, 2017, at North Royalton City Hall, 14600 State Road. The meeting was called to order at 6:12 p.m.

PRESENT: Committee Members: Chair John Nickell, Vice Chair Dan Kasaris, Larry Antoskiewicz;
Council: Gary Petrusky, Paul Marnecheck, Cheryl Hannan; **Administration:** Mayor Robert Stefanik, Law Director Thomas Kelly, Fire Chief Robert Chegan, Community Development Director Thomas Jordan, Finance Director Eric Dean; **Other:** Lou Krzepina.

APPROVAL OF MINUTES

Moved by Mr. Kasaris, seconded by Mr. Antoskiewicz to **approve the February 21, 2017 minutes as received.** Yeas: 3. Nays: 0. **Motion carried.**

NEW BUSINESS

1. **Community Reinvestment Area – 10499 Royalton Road LLC/Transport Services, Inc.**

Mr. Jordan said that 10499 Royalton Road LLC is the holding company that owns the real estate and Transport Services operates the business. He said that they are a long time family run business here in North Royalton and they are committed to providing community service. He said that the next generation is planning a new addition to the business. They acquired what was formally the Platinum Plaza business condo development that is to the west of their current business. He said that the company services and sells trailers of all kinds. The business is investing \$2 million in the renovation of its existing building and are adding a 19,000 sq. ft. facility adjacent to their building to the west. Mr. Jordan said that we are proposing a 49% property tax abatement under the Community Reinvestment Act which we formed 3 years ago. He said it is at 49% for 15 years. This percentage is the amount that the cities are allowed to provide relative to tax abatement without involving the school district in the consent. If higher abatements are given, we do a tax sharing with the schools since it effects them in such a dramatic way. In this case the schools are not involved but they are given notice of this abatement 2 weeks prior to this meeting. He has not received any feedback from the schools on this. He said that this legislation authorizes Council to enter into this abatement agreement and it will be forwarded on to the State of Ohio for tax abatement on the improved value. Mr. Jordan said we did an abatement for Best Machinery 6 months or so ago and Cleveland.com did an erroneous article on this and their numbers were way off. He said that the way abatements work is that it is only on the improved value of the property. What they pay currently they will always continue to pay. If the county ultimately values the improvement at \$1.2 million, the 49% abatement is applied to only to that for the 15 years. Mr. Jordan said it could result in as much as \$26,000 per year, or it could be less. He said that it is a very reasonable amount to provide to a company like this. They currently have a large payroll and they are going to be hiring additional workers at this site to increase the payroll. Mr. Kasaris asked how many jobs are expected to be added. Mr. Jordan said that they have 39 existing full time employees and will be creating 6 new full time employees. He said that this is more of a retention effort. He said that he knows that they have an alternate site that they were considering. This site was larger and less congested, but the North Royalton location was better for them relative to I-71. Mrs. Hannan asked how many businesses we have given tax abatements. Mr. Jordan said that we have 4 active agreements; 2 for Laszeray, one for Best Equipment, and one for Induction Tooling. This one will make 5. He said by comparison to communities such as Strongsville, we do not have a substantial amount of tax abatements. He said that our Finance Director has been informed by the State of Ohio that they are now requiring cities to report as part of their annual audit how many abatements we have and the status of the agreements. He said that there will be more scrutiny of it because it does effect the city's and school district's bottom line. We have a history of a very conservative approach to how much abatement we offer. He said we try to gauge what people need and if it is realistic that they will remain here. He felt that we were doing ok relative to this. There are many cities with much more abatement and a lot higher percentage.

Moved by Mr. Antoskiewicz, seconded by Mr. Kasaris to **remove this item from committee and recommend approval to Council.** Roll Call: Yeas: 3. Nays: 0. **Motion carried.**

Mr. Nickell said that he agrees and feels that it is good to have a little investment in providing for increased income taxes.

NEW BUSINESS

1. Former City Hall and City Green Development

Mr. Kasaris said that the request to go out to bid for the demolition of the old City Hall is on Council's Consent Agenda this evening. He asked what time frame we are looking at before it comes back to City Council. Mr. Jordan said that we will be finishing the specifications in the next day or two so he will have a better idea on that at that time. He said that he also needs an updated engineer's estimate of cost. He believes it to be certainly below \$100,000.00, and it may even fall below \$50,000.00. He said that the last estimate was slightly over \$50,000.00. Mr. Kasaris asked if these funds will come out of Future Capital. Mr. Jordan said yes. Mr. Kasaris asked how the demolition will occur. Mr. Jordan said that the hazardous materials abatement has been completed. The former Council dais has been disassembled because there was asbestos tile underneath. He said that the related sidewalks that fed the building will be removed as part of the demolition process. The two handicapped spots out front that will no longer serve anyone will be removed as well. The entire area will be reseeded and should have some good growth by the August Home Days. He said that the concepts for the pavilion will be presented to Council at a later point. Mr. Petrusky asked what will happen with the generator at the old City Hall. Mr. Jordan said that Precision, the company that did the hazardous materials abatement, asked to purchase it from us. He said he is working with the Finance Department relative to the regulations of how and what method we can use to dispose of this equipment. He said that he has already spoken to the Finance Department and it has been determined that there is nothing else of value in the building. He said that not all generators fit every user's needs. You have to find the right user for the size and type of generator. We will either sell it or auction it off, whichever is prescribed by state law. Mr. Nickell asked if we want to add this to the agenda. The committee agreed to do so. Mr. Kasaris asked for the estimated time frame for the bidding process. Mr. Jordan said it depends on the method of bidding; it is a little longer period if it is over \$50,000.00. He felt that it would certainly be within the next 90 days and he does not think it will be a long process once it starts. Mr. Kasaris asked when he anticipates the demolition to start. Mr. Jordan said that June-July at the latest. Mr. Nickell asked if the City Green has a name other than "City Green". Mayor Stefanik said it has always been called the "City Green".

ADJOURNMENT

Moved by Mr. Nickell, seconded by Mr. Antoskiewicz to **adjourn the March 21, 2017 meeting.** Yeas: 3. Nays: 0. **Motion carried. Meeting adjourned at 6:30 p.m.**