

BRECKSVILLE COMMUNITY IMPROVEMENT CORPORATION

**MINUTES
Of
June 24, 2020 Meeting
Brecksville City Hall Council Study
5:00 P.M.**

Present: Citizen Member Matt Garito, Council President M. Harwood, Finance Committee Chair Laura Redinger, Finance Director L. Redinger, Mayor J.N. Hruby, Assistant Law Director DiGeronimo and Recording Secretary Tammy Tabor.

Call to Order: Mr. Garito called the Brecksville Community Improvement Corporation (CIC) meeting to order at 5:07 p.m.

Meeting Minutes: The minutes of the January 24, 2020 meeting were presented for review and approval.

Motion by Hruby, seconded by Redinger to approve the minutes of January 24, 2020 as submitted. Ayes: Garito, Redinger, Harwood, Hruby. Abstain: Starosta. Nays: None. Motion carried 4-Ayes, 1-Abstain. 0-Nays.

Old Business: Mr. Garito called for Old Business to be discussed. Hearing none Mr. Garito moved on to New Business.

New Business: Mr. Garito asked for presentation of New Business.

Assistant Law Director DiGeronimo introduced a draft of a Resolution and EXHIBITS “A” and “B” provided to the Brecksville Community Improvement Corporation (“the CIC”) members. Asst. Law Director DiGeronimo said the first agreement is binding between the CIC and DiGeronimo Development (“Developer”). The agreement allows for the invoicing and payment from the Developer to the CIC for monies expended thus far, including the earnest money from the original agreement to acquire Crowland and extension fees. Asst. Law Director DiGeronimo said the extension fees requested are in the second agreement, which is an extension and First Amendment to the agreement of Purchase and Sale. This is necessitated by an alignment of closing dates that is required to facilitate they are in a position to acquire Crowland, after Sherwin-Williams final commitment. Without this agreement the CIC would be in a position of some jeopardy, if Sherwin- Williams abandoned the development after the closing date of Crowland. By extending the date, it assures Sherwin Williams cannot back away from the agreement and Crowland is owned by the CIC, at which time it will be assigned to the developer. Ms. Redinger asked if all of the due diligence has been completed for the property. Asst. Law Director DiGeronimo said the due diligence process is very close to being completed. It appears there are no impediments to what is being done. Mayor Hruby said there is a small area at the front of the property that is owned by another entity. Asst. Law Director DiGeronimo said that is immaterial. Mayor Hruby said Sherwin-Williams has requested that the City of Brecksville adopt legislation to place a Tax Increment Finance (“TIF”) with the vocational school and the Brecksville-Broadview Heights School District for this property, and they would like to have it adopted by August 4, 2020. Mayor Hruby said Sherwin-Williams intends to go forward with the project. Mr. Garito said item “C” of the agreement talks about amending the original development

agreement between the CIC, The City of Brecksville and DiGeronimo Developers. Mr. Garito asked if the timing of that matter. Asst. Law Director DiGeronimo said that is underway now. That agreement will be amended when the certainty is achieved. It may be done now, but the amendment will state the city has the same supervision over the development of this property as in the first agreement. Asst. Law Director DiGeronimo said Crowland will have the same supervision, however the re-numeration will be different. Mr. Garito said the City is being reimbursed for the purchase price of the Crowland property. Asst. Law Director DiGeronimo said if the City assigns the agreement before closing, the City will have nothing to do with the purchase price. If the City deeds the property to the Developer after it is acquired, the City will pay the purchase price and will then be reimbursed. Asst. Law Director DiGeronimo said the money will not come through the CIC, it will come through the developer.

Finance Director Starosta said the CIC will be working with Thompson Hine on the tax issue, related to the property. Asst. Law Director DiGeronimo said there is a corollary issue for the execution of tax dollars on the Crowland property. The owners would like to express a \$3,000,000 donation by way of the sale. The property was valued at \$8,000,000 and sold the property for \$5,000,000 to the CIC. Asst. Law Director DiGeronimo said the advice of Counsel will determine if that takes place.

Mr. Garito said the second document is an amendment to the original agreement signed with Crowland. Asst. Law Director DiGeronimo said the 180 day agreement has been extended out. Mr. Garito said the additional earnest money and time extension. Asst. Law Director DiGeronimo said the extension payment is non-refundable and will not be credited to the purchase price, assurance is needed from DiGeronimo Companies for the reimbursement of the funds.

Agreement: Motion by Redinger, seconded by Harwood to approve the agreement between DiGeronimo Companies and the CIC. Ayes: Hruby, Harwood, Garito, Redinger, Starosta. Nays: None. Motion carried 5-Ayes, 0-Nays.

First Amendment to Agreement: Motion by Garito, seconded by Redinger to authorize the first amendment to Agreement of Purchase and Sale between Crowland and Brecksville CIC. Ayes: Hruby, Harwood, Garito, Redinger, Starosta. Nays: None. Motion carried 5-Ayes, 0-Nays.

Annual Report: Finance Director Starosta presented the annual financial report for 2019 and will await notification of the audit requirement. Also distributed was an accounting of fund activity as of June 22, 2020. When the agreement is signed, Finance Director Starosta said she will request the re-imbusement of money from DiGeronimo Development.

Motion to Adjourn: Mr. Garito asked if there were any other matters deemed appropriate for the board to discuss. Hearing none, Garito made a motion to adjourn the meeting at 5:37 p.m. Seconded by Redinger. Ayes: Garito, Harwood, Redinger, Hruby. Nays: None. Motion carried 4-Ayes, 0-Nays.