

Lyndhurst, Ohio
March 13, 2023

The Tax Incentive Review Council of the City of Lyndhurst held a Regular Meeting on Monday, March 13, 2023 at 11:00 A.M. in the Remote Learning & Training Center, Mayor Patrick A. Ward, presiding.

Members Present: M. A. Kovalchik, Director of Finance;
K. L. Miller, Acting Secretary;
Clarice White, Citizen;
Allard Goldberg; Citizen.

It was moved by Mr. Goldberg, seconded by Mrs. Miller, that the minutes of the Regular Meeting held Thursday, March 10, 2022, copies of which were distributed to all Members, be dispensed with, and said minutes stand approved as circulated.

The question was put to a voice vote and passed unanimously.

Mrs. Kovalchik gave a brief reminder to the members that the purpose of this meeting is the annual performance review of the 2 tax incentives in the City being the Hyatt Place Development Public Garage Project and The Avenue; the County portion of tax on The Avenue is exempted for public improvements to directly benefit the parcel to improve the flow of vehicular and pedestrian traffic and to provide other public improvements in and around the property.

It was moved by Mayor Ward, seconded by Mrs. White, that Council Member Stephen C. Grushetsky be added as a member of the Tax Incentive Review Council.

The question was put to a voice vote and passed unanimously.

Mrs. Kovalchik first spoke about the Hyatt Place Development Public Garage Project. To assure all parties of the Cooperative Agreement are in compliance, she prepared a detailed financial report which was presented to all members prior to the meeting. A copy of the report will be filed with the minutes.

Mrs. Kovalchik began with the current valuation of the property. She referred to the triennial reappraisal update performed by the County for tax year 2021 which showed a 15% decrease in both land and building values. The total value of the project investment remains at \$10,045,600 as reported in 2021, noting there are no current formal reviews or board of revision cases on file as of this reporting. Mrs. Kovalchik reported a total of \$2,076,380.14 in service payments has been released to Huntington Bank Trustee per the Cooperative Agreement, of which \$355,486.52 was paid in the calendar year 2022.

Mrs. Kovalchik stated as of December 31, 2022 a total of \$105,722.59 has been paid to the South Euclid Lyndhurst School District as outlined in the terms of the Compensation Agreement. In addition, the City had agreed to release all income tax derived from hotel operations to SELSD, of which a total of \$23,657.04 was released in 2022.

Mrs. Kovalchik reported the hotel operated at 70.87% occupancy in 2022, which was up from 55.76% the previous year. She also mentioned \$145,321.64 in lodging tax had been received by the City in 2022, which is \$64,577.36 below the projected amount. A total of \$754,775.80 has been received since inception resulting in a shortfall of \$393,910.20. The hotel was able to retain 25 of the projected 20 employees while creating an additional 17 jobs, at an average salary of \$37,187.55.

It was moved by Mrs. Miller, seconded by Mr. Goldberg, to confirm and accept the reporting for the Hyatt Place Development Public Garage Project provided by the Director of Finance, and to confirm that the City is in compliance per the terms of both the Compensation and Cooperative agreements.

The question was put to a voice vote and passed unanimously.

Mrs. Kovalchik then reported on The Avenue project. She stated the current valuation for tax year 2022 is \$7,161,100, which is above the projected value of \$6,000,000. As of December 31, 2022 The Avenue Public Improvement Tax Increment Equivalent Fund balance was \$79,431.14. While the project continues to generate revenue, no funding has been expended from the fund to date for public improvements.

It was moved by Mayor Ward, seconded by Mr. Goldberg, to confirm and accept the reporting for The Avenue Project provided by the Director of Finance.

The question was put to a voice vote and passed unanimously.

With no further discussion, it was moved by Mayor Ward, seconded by Mrs. White, that the meeting be adjourned.

The question was put to a voice vote and passed unanimously.

The meeting was adjourned at 11:50 A.M.

Approved: March 15, 2024

Attest: _____
Acting Secretary

Mayor, Chief Executive