

FORMER ELDER-BEERMAN SITE



Site Quick Facts:

- Parcel ID: 22-16648
- Address: 3311 Secor Rd. Toledo, OH 43606
- Owner: Niki Toledo I LLC, An Ohio Limited Liability Company
- Acres: 7.4
- Zoning: Regional Commercial
- School District: Washington Local
- Square Footage: 142,560
- Year Built: 1961

Ordinance 39-20

Ordinance 39-20 authorizes an Enterprise Zone real property tax exemption for the redevelopment of the former Elder-Beerman site. The primary reason why the Administration is recommending Council approve this incentive is because of the significant cost the developer must make to remediate and demolish the existing structure. The cost to remediate and demolish is over \$1.2MM, which makes it hard for the developer to justify the cost of redevelopment. In 2007, the City granted the exact same incentive to the owners of Westgate who had \$1.6MM in asbestos abatement and demolition costs. The two projects have similar upfront abatement and demolition costs, yet construction costs have only escalated since 2007 and retail rental rates have only marginally increased. The same economics that challenged the Westgate redevelopment in 2007 exist for the former Elder-Beerman site today.

CURRENT



\$0 Income Tax
 \$0 Sales Tax
 \$106,875 Property Tax Total
 \$4,640 City of Toledo
 \$71,739 Washington Local
 0 Jobs
 142,560 square foot vacant,
 functionally obsolete,
 environmentally contaminated building

PROPOSED



\$41,512 Income Tax (+\$41,512)
 \$Increase in Sales Tax
 \$244,870 Property Tax Total (+\$137,995)
 \$1,169 City of Toledo (-3,471)
 \$163,513 Washington Local (+91,774)
 63 New Jobs
 64,380 square foot Class A modern structure
 for two national retail tenants

Other Facts:

- Washington Local School District passed a resolution in support of the proposed redevelopment at its regularly scheduled board meeting on January 15, 2020. The property owner and school district will enter into a Service Payment Agreement in which Washington Local will receive 100% of the real property taxes associated with the new development.
- Toledo Plan Commission approved the project's major site plan at its regularly scheduled meeting on January 9, 2020.
- The total value of the Enterprise Zone incentive over the 15-year term is estimated to be \$970,000.
- This incentive is consistent with what was provided to the Westgate redevelopment project in 2007.
- The property owner will continue to pay special assessments for the term of the incentive.
- The City would be forgoing approximately \$11,811.34 in increased real property taxes as a result of this incentive.
- The City requires the new jobs to be paid at a living wage (\$13.62 per hour) as opposed to minimum wage (\$8.55) for the term of the incentive. This will be monitored by the City and State of Ohio through annual reports the property owner will be required to file confirming this information.
- The proposed use complies with the Toledo 20/20 Comprehensive Plan and all standards of the City's Zoning Code (TMC§1111.0809(A) – Approval Criteria).
- The proposed use is allowed in the zoning district in which it is located (TMC§1111.0809(B) – Approval Criteria).