

**AGENDA**  
City Commission Meeting  
City Building, 222 Meigs Street  
**5:00 p.m.**

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**TUESDAY, OCTOBER 10, 2006**

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Prayer  
Pledge of Allegiance  
Meeting Called to Order  
Roll Call - DM, BC, BF, DW, CS, DE, DK  
Minutes – September 25<sup>th</sup>

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Charter Officers – Mike Will, Don Icsman, Ed Widman, B. Joyce Brown

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Audience Participation – Agenda Items Only (3 minute limit)

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**CURRENT BUSINESS**

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**ITEM#1 – Communication submitted by Kathryn K. McKillips, Engineering Director.**

**RESOLUTION NO.** \_\_\_\_\_ File two applications with the Ohio Department of Natural Resources Navigational Aids Grant Program on behalf of the Cedar Point Property Owners Association and Cedar Fair, LP to replace ten (10) existing ‘No Wake” Buoys and ten (10) existing Buoys. **Request passed under suspension of rules in full accordance of Section 14 of the City Charter.**

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**ITEM#2 – Communication submitted by Joshua R. Snyder, Traffic Engineer.**

**ORDINANCE NO.** \_\_\_\_\_ Repealing Ordinance No. 06-074 and authorizing and directing the City Manager to enter into a contract with National Light and Power, Inc. of Sandusky, Ohio, for the Cleveland Road Retractable Delineator Project in an amount of \$39,360.00. **Request passed under suspension of rules in full accordance of Section 14 of the City Charter.**

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**ITEM#3 – Communication submitted by Gary Packan, Assistant City Manager.**

**ORDINANCE NO.** \_\_\_\_\_ Approving an Economic Development Loan in the amount of \$45,000.00 to the Admiral’s Daughter, LLC (F.K.A. The Basket Occasion, LLC). **Request passed under suspension of rules in full accordance of Section 14 of the City Charter.**

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**ITEM#4 – Communication submitted by Gary Packan, Assistant City Manager.**

**ORDINANCE NO.** \_\_\_\_\_ Repealing Ordinance No. 05-156 passed on October 24, 2005; approving and authorizing a Community Development Block Grant Loan from the City’s Revolving Loan Fund and a Community Development Block Grant Economic Development Special Projects Program Loan to United States Construction through its related entities (Rieger Lofts, L.L.C., Rieger Commercial Properties, L.L.C., and 232 Jackson Street, L.L.C.); authorizing and directing the City Manager to execute the Commitment Letter in relation thereto. **Request passed under suspension of rules in full accordance of Section 14 of the City**

City Manager’s Report

**Old Business – Tabled – 9/25/06 Code EMS Charges**

New Business

Audience Participation – Open discussion on any item (5 minute limit)

Press Question/Answers

Executive Session

To: Michael J. Will, City Manager  
From: Kathryn K. McKillips, Director of Engineering Services  
Date: September 26, 2006  
Subject: Commission Agenda Item

**ITEM FOR CONSIDERATION:** Resolution authorizing the City Manager to submit two applications to the Ohio Department of Natural Resources Navigational Aids Grant Program and to sign the Cooperative Agreements as required.

The first application will be submitted on behalf of the Cedar Point Property Owners Association. The requested buoys would replace 10 (ten) existing "No Wake" buoys that have deteriorated over the past several years. These buoys are located along the residential section of the Cedar Point Beach.

The second application will be submitted on behalf of the Harbour Marina, owned and operated by Cedar Fair, L.P. The requested bouys would replace ten (10) existing buoys that are located in East Sandusky Bay and Pipe Creek.

**BUDGETARY INFORMATION:** This grant is 100% funded by the Ohio Department of Natural Resources.

**STRAGETIC PLANNING:** This project is in-line with the City's general goal of being a Customer-Focused Organization by providing a service for the community.

**ACTION REQUESTED:** It is requested that the necessary legislation be passed under suspension of the rules in accordance with Section 14 of the City Charter. The grant applications are due November 1, 2006. The applications must be received by ODNR as soon as possible with a copy of the Resolution attached.

\_\_\_\_\_  
Kathryn K. McKillips, P.E.  
Director of Engineering Services

I concur with this recommendation:

\_\_\_\_\_  
Michael J. Will, City Manager  
KKM/cal

cc: Joyce B. Brown, Commission Clerk  
Ed Widman, Finance Director

RESOLUTION NO. \_\_\_\_\_

**A RESOLUTION AUTHORIZING AND DIRECTING THE CITY MANAGER TO FILE TWO APPLICATIONS WITH THE OHIO DEPARTMENT OF NATURAL RESOURCES NAVIGATIONAL AIDS GRANT PROGRAM ON BEHALF OF THE CEDAR POINT PROPERTY OWNERS ASSOCIATION AND CEDAR FAIR, LP TO REPLACE TEN (10) EXISTING “NO WAKE” BUOYS AND TEN (10) EXISTING BUOYS; AND DECLARING THAT THIS RESOLUTION SHALL TAKE IMMEDIATE EFFECT IN ACCORDANCE WITH SECTION 14 OF THE CITY CHARTER.**

**WHEREAS**, submission of the first application by the City will allow the Cedar Point Property Owners Association to participate in the Ohio Department of Natural Resources Navigation Aids Grant Program and will, if awarded, replace ten (10) existing “No Wake” buoys located along the residential section of the Cedar Point Beach that have deteriorated over the past several years; and

**WHEREAS**, submission of the second application by the City will allow Cedar Fair, L.P., to participate in the Ohio Department of Natural Resources Navigation Aids Grant Program and will, if awarded, replace ten (10) existing buoys located in East Sandusky Bay and Pipe Creek; and

**WHEREAS**, this grant is 100% funded by the Ohio Department of Natural Resources; and

**WHEREAS**, this legislation should be passed as an emergency measure under suspension of the rules in accordance with Section 14 of the City Charter in order to submit the grant applications to ODNR by the November 1, 2006 deadline; and

**WHEREAS**, in that it is deemed necessary in order to provide for the immediate preservation of the public peace, property, health, and safety of the City of Sandusky, Ohio, and its citizens, and to provide for the efficient daily operation of the Department of Engineering Services of the City of Sandusky, Ohio, the City Commission of the City of Sandusky, Ohio, finds that an emergency exists regarding the aforesaid, and that it is advisable that this **Resolution** be declared an emergency measure which will take immediate effect in accordance with Section 14 of the City Charter; and NOW, THEREFORE

BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF SANDUSKY, OHIO, THAT:

Section 1. The City Manager is hereby authorized and directed to file two applications with the Ohio Department of Natural Resources Navigational Aids Grant Program, substantially in the same form as described in Exhibits “A” and “B” attached to this Resolution and specifically incorporated as if fully rewritten herein, and to execute the cooperative agreements, if awarded, for the furnishing and replacement of ten (10) existing “No Wake” buoys and ten (10) existing buoys,.

Section 2. The Clerk of the City Commission is hereby directed to furnish a certified copy of this Resolution to be utilized for the filing of the applications for assistance from the Ohio Department of Natural Resources.

Section 3. If any section, phrase, sentence, or portion of this Resolution is for any reason held invalid or unconstitutional by any Court of competent jurisdiction, such

portion shall be deemed a separate, distinct, and independent provision, and such holding shall not affect the validity of the remaining portions thereof.

Section 4. This City Commission finds and determines that all formal actions of this City Commission concerning and relating to the passage of this Resolution were taken in an open meeting of this City Commission and that all deliberations of this City Commission and of any of its committees that resulted in those formal actions were in meetings open to the public in compliance with the law.

Section 5. That for the reasons set forth in the preamble hereto, this Resolution is hereby declared to be an emergency measure which shall take immediate effect in accordance with Section 14 of the City Charter after its adoption and due authentication by the President and the Clerk of the City Commission of the City of Sandusky, Ohio.

\_\_\_\_\_  
DANIEL J. KAMAN  
PRESIDENT OF THE CITY COMMISSION

ATTEST: \_\_\_\_\_  
B. JOYCE BROWN  
CLERK OF THE CITY COMMISSION

Passed:

TO: Michael J. Will, City Manager  
FROM: Joshua R. Snyder, Traffic Engineer  
DATE: September 28, 2006  
SUBJECT: Commission Agenda Item

**ITEM FOR CONSIDERATION:** An Ordinance authorizing the City Manager to enter into a contract with National Light and Power, Inc., Sandusky, Ohio, for the Cleveland Road Retractable Delineator Project to install five (5) retractable delineator posts in the second (inside) left turn lane on Cleveland Rd. Westbound at Butler St. The posts will work so as to coincide with the overhead lane control signs, indicating the usable lane(s). When this lane is closed, the posts will protrude above the pavement surface, creating a physical barrier to vehicles that may want to enter it. When the lane is open, the delineator posts will “retract” into the pavement allowing vehicles to enter it. This intersection regularly shows up in the “top 10” list of highest accident intersections.

One (1) bid was received on September 21, 2006 from the following company:

National Light and Power, Inc. Sandusky, OH Bid: \$39,360.00

**BACKGROUND INFORMATION:** This item was rebid due to Ohio Department of Transportation (ODOT) contractor specifications which was omitted from the previous bid documents. ODOT sent a letter in August stating that the contractor awarded the construction contract was not pre-qualified with ODOT and that the project would need to be re-bid. Through discussions following receipt of the letter in August, ODOT stated that as long as the contractor obtained pre-qualification status, the City could continue with the project without re-bidding. The Contractor proceeded to apply and obtain pre-qualification status. The City was then informed that re-bidding the project was required. The City re-advertised and opened bids on September 21, 2006. The new ordinance awarding a contract to National Light and Power, Inc. will replace Ordinance #06-074.

**STRATEGIC PLAN:** This item complies with the City's Strategic Plan. The approval of this proposed project is in line with the General Goals of Development of Housing and Promotion of the City of Sandusky as a place to live, work and play through safer streets.

**BUDGETARY INFORMATION:** The Total Project Cost including advertising, materials, labor, inspection and miscellaneous costs is \$40,000.00. The Erie County MPO, Metropolitan Planning Organization, using federal transportation funds, will contribute \$32,000.00 (80%) and the City's \$5 License Fee Fund will pick up the remaining \$8,000.00 (20%).

**ACTION REQUESTED:** It is recommended that the Ordinance awarding contract to National Light and Power, Inc., of Sandusky, Ohio for the Cleveland Road Retractable Delineator Project, in the amount of \$39,360.00 be approved. It is requested that the legislation be passed under suspension of the rules in accordance with Section 14 of the City Charter thereby allowing the contractor sufficient time to complete this project by the December 1<sup>st</sup> completion deadline.

\_\_\_\_\_  
Joshua R. Snyder, Traffic Engineer

I concur with this recommendation:

\_\_\_\_\_  
Kathryn K. McKillips, P.E.,  
Director of Engineering Services

\_\_\_\_\_  
Michael J. Will  
City Manager

JRS/cal

cc: Joyce Brown, Clerk of City Commission  
Ed Widman, Finance Director

ORDINANCE NO. \_\_\_\_\_

**AN ORDINANCE REPEALING ORDINANCE NO. 06-074 AND AUTHORIZING AND DIRECTING THE CITY MANAGER TO ENTER INTO A CONTRACT WITH NATIONAL LIGHT AND POWER, INC., OF SANDUSKY, OHIO, FOR THE CLEVELAND ROAD RETRACTABLE DELINEATOR PROJECT; AND DECLARING THAT THIS ORDINANCE SHALL TAKE IMMEDIATE EFFECT IN ACCORDANCE WITH SECTION 14 OF THE CITY CHARTER.**

**WHEREAS**, this City Commission declared the necessity for the City to proceed with the Cleveland Road Retractable Delineator Project by Resolution No. 030-06R passed on June 12, 2006; and

**WHEREAS**, this City Commission authorized and directed the City Manager to award a contract to National Light and Power, Inc., of Sandusky, Ohio, by Ordinance No. 06-074, passed on August 14, 2006; and

**WHEREAS**, the Ohio Department of Transportation (ODOT) contractor specifications were omitted from the previous bid documents utilized prior to the passage of Ordinance No. 06-074 and eventually, despite earlier indications, ODOT required the City to rebid the project; and

**WHEREAS**, this contract consists of the installation of five (5) retractable posts on Cleveland Road westbound at Butler Street to coincide with the overhead lane control signs as this intersection is regularly on the "top 10" list of intersections with the highest rate of accidents; and

**WHEREAS**, the project was rebid as required by ODOT and upon public, competitive bidding as required by law, one (1) proper and appropriate rebid was received by National Light and Power, Inc., of Sandusky, Ohio, and was accepted as the lowest and best bid; and

**WHEREAS**, the total cost of the project including advertising, materials, labor, inspection and miscellaneous costs is \$40,000.00 which \$32,000.00 (80%) will be funded from the Erie County Metropolitan Planning Organization, using federal transportation funds and the remaining \$8,000.00 (20%) will be funded from the City's \$5 License Fee Fund; and

**WHEREAS**, this legislation should be passed under suspension of the rules as an emergency measure in accordance with Section 14 of the City Charter in order for the work to begin as soon as possible allowing the contractor sufficient time to meet the scheduled project completion deadline of December 1, 2006; and

**WHEREAS**, in that it is deemed necessary in order to provide for the immediate preservation of the public peace, property, health, and safety of the City of Sandusky, Ohio, and its citizens, and to provide for the efficient daily operation of the Department of Engineering Services of the City of Sandusky, Ohio, the City Commission of the City of Sandusky, Ohio finds that an emergency exists regarding the aforesaid, and that it is advisable that this **Ordinance** be declared an emergency measure which will take immediate effect in accordance with Section 14 of the City Charter upon its adoption; and NOW, THEREFORE,

BE IT ORDAINED BY THE CITY COMMISSION OF THE CITY OF SANDUSKY, OHIO, THAT:

Section 1. This City Commission hereby repeals Ordinance No. 06-074, passed on August 14, 2006.

Section 2. The City Manager is authorized and directed to enter into a contract with

National Light and Power, Inc., of Sandusky, Ohio, for the Cleveland Road Retractable Delineator Project in an amount **not to exceed** Thirty Nine Thousand Three Hundred Sixty and 00/100 Dollars (\$39,360.00) consistent with the bid submitted by National Light and Power, Inc., of Sandusky, Ohio, currently on file in the office of the Director of Engineering Services.

Section 3. If any section, phrase, sentence, or portion of this Ordinance is for any reason held invalid or unconstitutional by any Court of competent jurisdiction, such portion shall be deemed a separate, distinct, and independent provision, and such holding shall not affect the validity of the remaining portions thereof.

Section 4. This City Commission finds and determines that all formal actions of this City Commission concerning and relating to the passage of this Ordinance were taken in an open meeting of this City Commission and that all deliberations of this City Commission and of any of its committees that resulted in those formal actions were in meetings open to the public in compliance with the law.

Section 5. That for the reasons set forth in the preamble hereto, this Ordinance is hereby declared to be an emergency measure which shall take immediate effect in accordance with Section 14 of the City Charter after its adoption and due authentication by the President and the Clerk of the City Commission of the City of Sandusky, Ohio.

\_\_\_\_\_  
DANIEL J. KAMAN  
PRESIDENT OF THE CITY COMMISSION

ATTEST:

\_\_\_\_\_  
B. JOYCE BROWN  
CLERK OF THE CITY COMMISSION

Passed:

## MEMO

TO: City Commission

FROM: Gary Packan, Assistant City Manager

DATE: September 28, 2006

RE: Commission Agenda Item

### **ITEM FOR CONSIDERATION:**

The city's Revolving Loan Fund Committee met on August 17, 2006 and voted unanimously to recommend a loan to The Admiral's Daughter, LLC (formerly The Basket Occasion, LLC). The committee recommends a 7-year, 1% loan for a maximum of \$45,000 (see below) with an amortization based upon ten years during the first five years of the loan. There will be an initial six-month interest only period. The loan proceeds will be used as partial payment for new inventory costing approximately \$100,000. The city will have a lien on all business assets and the personal guarantees and mortgage on the home of Richard and Mary Ann Peitz.

**BACKGROUND INFORMATION:** Mary Ann Peitz has owned and operated the Admiral's Daughter/ Basket Occasion store in downtown Sandusky for more than twenty years. Today, consumer's tastes have changed and the baskets and gift items that were so popular years ago are not selling in sufficient quantities to justify keeping this store open. The Peitz's have found that selling unique women's clothing items not found in the mass market retailers is a niche for the store which, in their estimation, will make the store profitable again. To that end the Peitz's changed the name of the store from The Basket Occasion to The Admiral's Daughter and are in the process of changing the entire merchandising focus of the store by making clothing their primary business with the basket and gift items taking a minor role.

This is an expensive and risky undertaking for the company which will be financed in part from the sell off of most of the gift type merchandise and in part with a \$50,000 loan from Citizens Bank and a \$45,000 loan from the city's Revolving Loan Fund.

Even though the RLF Committee initially recommended a maximum loan of \$50,000, the actual loan as currently structured, will not exceed \$45,000 as the company is required to provide 5% of the project financing as equity. The defined project is \$100,000 with \$50,000 (50%) coming from Citizens Bank, 5,000 (5%) in owner equity contribution and \$45,000 (45%) from the Revolving Loan Fund.

### **BUDGETARY INFORMATION:**

This action will not impact the City operating budget. The loan funds are restricted in use and this loan is within the guidelines of the program. The company must certify hiring a minimum of two new full-time equivalent employees within the first six months of

receiving this loan. The new hires will result in additional income taxes for the city.

**ACTION REQUESTED:**

It is requested that the City Commission enact the attached legislation under suspension of the rules as an emergency measure in accordance with Section 14 of the City Charter to assist the business in a timely manner. The merchandise that will be in part paid for by this loan is fall merchandise that must be paid for as it is received. Any delay in approval will jeopardize the company's ability to take advantage of fall merchandising season.

**I concur with this recommendation:**

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Michael J. Will, City Manager

**PROMISSORY NOTE AND SECURITY AGREEMENT**  
**(COGNOVIT)**  
**CITY OF SANDUSKY, OHIO REVOLVING LOAN FUND**

**\$45,000.00**

**October\_\_\_\_\_, 2006**

**FOR VALUE RECEIVED**, the undersigned Admiral's Daughter, LLC, an Ohio Limited Liability Company with its local retail establishment located at 126 Columbus Avenue, Sandusky, Ohio (hereinafter called "BORROWER") promises to pay to the order of the City of Sandusky, Ohio, a Commission-Manager form of government with its main offices at 222 Meigs Street, Sandusky, Ohio 44870 (hereinafter called "LENDER"), the principal sum of Forth-Five Thousand Dollars (\$45,000) or such lesser sum as may be owed to LENDER pursuant to the terms of a certain ECONOMIC DEVELOPMENT AGREEMENT dated October \_\_\_\_\_, 2006 between BORROWER and LENDER, to which reference is made for additional terms of the loan evidenced by this Promissory Note, together with interest as hereinafter provided.

### **SECTION I - DISBURSEMENT**

Proceeds of the loan shall be disbursed on a pro-rata basis with other funding, public and private and upon presentment of bills of sale for the new merchandise purchased by BORROWER and proof of other costs incurred by BORROWER. Such costs will be verified and approved by LENDER prior to disbursement.

### **SECTION II - INTEREST**

**During Disbursal:** Interest shall accrue on the unpaid principal balance from the first disbursal date, estimated to be October 15, 2006 through approximately April 31, 2007 at the rate of One Percent (1%) per annum calculated on a 365/365 day basis with monthly payments of interest only billed to BORROWER on or about the first of each month and payment due to LENDER by fifteenth of the following month.

**During Amortization:** Interest shall accrue on the unpaid principal balance at the rate of One Percent (1%) per annum calculated on a 360/360 day basis from May 1, 2006 for the remaining term of the loan.

### **SECTION III - REPAYMENT**

**Repayment. Interest Only Payments:** Payments of interest only on the amount disbursed will be billed to BORROWER on or about the end of each month during the disbursal period with payment due LENDER by the fifteenth of the following month.

**Repayment. Amortization: 1.** Commencing June 1, 2007 and continuing on the first day of each month thereafter through May 1, 2012, BORROWER shall pay LENDER Three Hundred Ninety-Four Dollars and Twenty-Two Cents (\$394.22) in principal and interest per month, in accordance with a ten-year amortization schedule (attached as Exhibit "A"). Payment adjustments will be made if all funds are not disbursed. All payments shall be made to the City of Sandusky, Ohio.

**Repayment. Amortization: 2.** Commencing June 1, 2012 and continuing on the first day of each month thereafter through May 1, 2014, BORROWER shall pay LENDER Nine Hundred Seventy Dollars and Ninety-Six Cents (\$970.96) in principal and interest per month, in accordance with a two-year amortization schedule (attached as Exhibit "B") calculated to fully amortize the remaining principal balance of the loan within twenty-four (24) months. Payment adjustments will be made if all funds are not disbursed. All payments shall be made to the City of Sandusky, Ohio.

#### **SECTION IV - LATE PAYMENT FEE**

A late payment fee of twenty-five Dollars (\$25.00) shall be due and payable for each and every installment of interest or principal and interest when such installments remain unpaid for a period of Ten (10) days after any such installment may have become due and payable.

#### **SECTION V - PREPAYMENT**

Prepayment of any principal sum of this loan may occur in whole, or in part, at any time, or times, without penalty. All such prepayments shall be applied to the payment of principal installments due hereon in the inverse order of their maturity.

#### **SECTION V – SECURITY INTEREST**

To secure payment of this Note or any extensions or renewals of this Note Borrower grants and pledges to Lender a security interest in the property listed below, and in after-acquired property of such description, replacements, substitutions, additions, accessions, products and the proceeds of all the foregoing and wherever such property is or may be located as follows:

1. The collateral acquired with the proceeds of this loan.
2. Accounts receivable, accounts chattel paper, documents, contract rights, instruments, general intangibles, and all right, title and interest in sold, leased, or furnished goods giving rise thereto (including, without limitation, all rights (a) of stoppage in transit, (b) of reclamation, and (c) in returned or repossessed goods).
3. Inventory (including, without limitation, all goods, that are (a) raw materials, (b) Work in process, (c) materials used or consumed in the ordinary course of Borrower's business, or (d) in the ordinary course of Debtor's business, held for sale or lease or furnished or to be furnished under contracts of service, all substitutes and replacements thereof, and all parts, accessories, additions, attachments, and accessions thereto and insurance proceeds from insurance of any of the above.
4. Proceeds, products, profit, and rents of and from all of the foregoing.
5. All ledger sheets, books, records and documents concerning any of the Collateral, including all computer records, programs, storage media and computer software useful or required in connection therewith.
6. All equipment, machinery, furniture and fixtures now owned and/or hereafter acquired.

In addition, the repayment of this loan is secured by the personal guarantees of Richard Peitz and Mary Ann Peitz and a mortgage on the Peitz' personal residence located at 3409 Stonewood Drive, Perkins Township.

#### **SECTION VII - UPON RELOCATION**

The entire balance of the outstanding principal and all accrued interest and charges shall, at the option of the LENDER become immediately due and payable upon the relocation of BORROWER'S primary Sandusky business facility to any location outside the corporate limits of the City of Sandusky, Ohio.

### **SECTION VIII - DEFAULT/REMEDIES**

All liabilities created by this instrument shall, at the option of Lender, accelerate, mature and become due and payable without demand or notice, which are hereby waived, if any maker, endorser, or guarantor of this Note shall:

- 1) suspend business;
- 2) become insolvent;
- 3) offer settlement to any creditors;
- 4) commit an act of bankruptcy;
- 5) file for, or have filed against it, any petition in bankruptcy or in any proceeding under any law relating to the relief of debtors, or for the appointment of a receiver of its property;
- 6) make any bulk sale of its property;
- 7) make any assignment for the benefit of creditors;
- 8) mortgage, pledge, or transfer any accounts receivable or otherwise impair the collateral or other property, in trust or otherwise; collateral or other property, in trust or otherwise without the prior consent of Lender;
- 9) make any false representation;
- 10) fail to furnish information or permit inspection of books or records on demand of the holder;
- 11) fail to pay any obligation when due;
- 12) have a warrant of attachment or execution issued against any of its property;
- 13) have any judgment entered against it;
- 14) be dissolved or have its capital impaired or die;
- 15) if the Sandusky, Ohio retail store is relocated beyond the corporate limits of Sandusky, Ohio.

All liabilities created by this instrument shall, at option of LENDER, accelerate, mature and become due and payable without demand or notice, which are hereby waived, if for any other cause, the protection of the LENDER so requires.

Any event of default under any mortgage or other lien affecting the various security interests shall constitute an event of default hereunder, at Lender's option.

The BORROWER waives presentment, protest and demand, notice of protest, notice of demand and dishonor and nonpayment of this Note, and expressly agree that this Note or any payment thereunder may be extended from time to time without in any way affecting the liability of the BORROWER. The rights and remedies of the LENDER, as provided herein, shall be cumulative and concurrent and may be pursued singly, successively or together at the sole discretion of the LENDER and may be exercised as often as the occasion shall occur, and the failure to exercise any such right or remedy shall in no event be construed as a waiver or release of the same.

Any notice may be delivered personally or sent Certified Mail to BORROWER at the following address: 126 Columbus Avenue, Sandusky, Ohio 44870.

**SECTION VIII - MISCELLANEOUS**

- (a) **Severability** - If any provision of this Promissory Note or the application of any provision to any party or circumstance shall, to any extent, be adjudged invalid or unenforceable, the application of such provision to other parties or circumstances and the application of the remainder of this Agreement shall not be affected thereby. Each provision in this Agreement shall be valid and enforceable to the fullest extent of the law.
  
- (b) **Headings** - The headings contained in this Promissory Note have been inserted for convenience and reference only and are not to be used for interpretive purposes.
  
- (c) **Governing Law**-The parties agree that this Promissory Note shall be governed by and interpreted in accordance with the laws of the state of Ohio, and the parties submit to its jurisdiction for such purposes.
  
- (d) **Non-Waiver**-The failure of either party to insist or enforce in any instance strict performance of any of the terms of this Promissory Note or to exercise any rights hereunder conferred, shall not be construed as a waiver or relinquishment to any extent of its rights to assert or rely upon such terms or rights on any future occasion.
  
- (e) **Amendments**-This Promissory Note shall be amended only in a writing duly executed by the properly authorized representatives of both parties.
  
- (f) **Assignment**-Neither party may assign this Promissory Note or any part hereof without prior written consent of the other party hereto.

**WARNING - BY THE SIGNING OF THIS PAPER YOU GIVE UP YOUR RIGHT TO NOTICE AND COURT TRIAL. IF YOU DO NOT PAY ON TIME A COURT JUDGEMENT MAY BE TAKEN AGAINST YOU WITHOUT PRIOR KNOWLEDGE AND THE POWERS OF A COURT CAN BE USED TO COLLECT FROM YOU REGARDLESS OF ANY CLAIMS YOU MAY HAVE AGAINST THE CREDITOR WHETHER FOR RETURNED GOODS, FAULTY GOODS, FAILURE ON HIS PART TO COMPLY WITH THE AGREEMENT OR ANY OTHER CAUSE.**

**IN WITNESS WHEREOF**, this Note has been duly executed by the undersigned acting on behalf of The Admiral’s Daughter, LLC on the day and year written above.

WITNESS OR ATTEST:

**The Admiral’s Daughter, LLC**

\_\_\_\_\_

By: \_\_\_\_\_  
Mary Ann Peitz, Owner

\_\_\_\_\_ By: \_\_\_\_\_  
Richard Peitz, Owner

**GUARANTEE**

The undersigned endorse, guarantee and promise to pay the above note (and all taxes and insurance premiums and any other sums that may become due and payable under and by virtue of the provisions of any mortgage or security instrument securing that note).

**WAIVERS**

The undersigned waive the following:

- (a) Presentment, demand, protest, notice of protest, notice of dishonor and notice of non-payment;
- (b) The right, if any, to the benefit of, or to direct the application of, any security hypothecated to the holder until all indebtedness of the maker to the holder, regardless of its source, has been paid; and
- (c) The right to require the holder to proceed against the maker, or to pursue any other remedy in the holder's power.

**RIGHT OF DIRECT ACTION**

The undersigned further agree that the holder may proceed against the undersigned directly and independently of the maker and that the cessation of the liability of the maker for any reason other than full payment, or any extension, renewal, forbearance, change of rate of interest or acceptance, release or substitution of security, or any impairment or suspension of the holder's remedies or rights against the maker, shall not in any way affect the liability of the undersigned.

**RENEWALS AND EXTENSIONS**

The undersigned further agree to all renewals and extensions of this Note for whatever period or periods. Any such renewals and extensions may be made without notice to or the further consent of the undersigned.

WITNESS OR ATTEST:

GUARANTORS:

\_\_\_\_\_ By: \_\_\_\_\_  
Mary Ann Peitz

\_\_\_\_\_

By: \_\_\_\_\_  
Richard Peitz

Approved as to form:

Accepted by the City

By: \_\_\_\_\_  
Donald Icsman  
Law Director

By: \_\_\_\_\_  
Michael J. Will  
City Manager

Admirals Daughter Note+Security Agreement  
ges 9/28/06

MortgageMinder  
STANDARD AMORTIZATION SCHEDULE

<M>onthly or <B>iweekly Mortgage: M  
 Daily Basis: 360  
 Original Mortgage Amount: 45,000.00  
 <F>ixed or <A>djustable Rate: F  
 Interest Rate: 1.000%  
 # Times Compounded/Year: 12  
 Term: 10 Years  
 1st Payment Due: 06/01/2007  
 Principal & Interest Due: 394.22

| PMT  | DATE       | RATE  | PRINC&INT | PRINCIPAL | INTEREST | BALANCE   |
|------|------------|-------|-----------|-----------|----------|-----------|
| 1    | 06/01/2007 | 1.000 | 394.22    | 356.72    | 37.50    | 44,643.28 |
| 2    | 07/01/2007 | 1.000 | 394.22    | 357.02    | 37.20    | 44,286.26 |
| 3    | 08/01/2007 | 1.000 | 394.22    | 357.31    | 36.91    | 43,928.95 |
| 4    | 09/01/2007 | 1.000 | 394.22    | 357.61    | 36.61    | 43,571.34 |
| 5    | 10/01/2007 | 1.000 | 394.22    | 357.91    | 36.31    | 43,213.43 |
| 6    | 11/01/2007 | 1.000 | 394.22    | 358.21    | 36.01    | 42,855.22 |
| 7    | 12/01/2007 | 1.000 | 394.22    | 358.51    | 35.71    | 42,496.71 |
| SUM: |            |       | 2,759.54  | 2,503.29  | 256.25   |           |
| 8    | 01/01/2008 | 1.000 | 394.22    | 358.81    | 35.41    | 42,137.90 |
| 9    | 02/01/2008 | 1.000 | 394.22    | 359.11    | 35.11    | 41,778.79 |
| 10   | 03/01/2008 | 1.000 | 394.22    | 359.40    | 34.82    | 41,419.39 |
| 11   | 04/01/2008 | 1.000 | 394.22    | 359.70    | 34.52    | 41,059.69 |
| 12   | 05/01/2008 | 1.000 | 394.22    | 360.00    | 34.22    | 40,699.69 |
| 13   | 06/01/2008 | 1.000 | 394.22    | 360.30    | 33.92    | 40,339.39 |
| 14   | 07/01/2008 | 1.000 | 394.22    | 360.60    | 33.62    | 39,978.79 |
| 15   | 08/01/2008 | 1.000 | 394.22    | 360.90    | 33.32    | 39,617.89 |
| 16   | 09/01/2008 | 1.000 | 394.22    | 361.21    | 33.01    | 39,256.68 |
| 17   | 10/01/2008 | 1.000 | 394.22    | 361.51    | 32.71    | 38,895.17 |
| 18   | 11/01/2008 | 1.000 | 394.22    | 361.81    | 32.41    | 38,533.36 |
| 19   | 12/01/2008 | 1.000 | 394.22    | 362.11    | 32.11    | 38,171.25 |
| SUM: |            |       | 4,730.64  | 4,325.46  | 405.18   |           |
| 20   | 01/01/2009 | 1.000 | 394.22    | 362.41    | 31.81    | 37,808.84 |
| 21   | 02/01/2009 | 1.000 | 394.22    | 362.71    | 31.51    | 37,446.13 |
| 22   | 03/01/2009 | 1.000 | 394.22    | 363.01    | 31.21    | 37,083.12 |
| 23   | 04/01/2009 | 1.000 | 394.22    | 363.32    | 30.90    | 36,719.80 |
| 24   | 05/01/2009 | 1.000 | 394.22    | 363.62    | 30.60    | 36,356.18 |
| 25   | 06/01/2009 | 1.000 | 394.22    | 363.92    | 30.30    | 35,992.26 |
| 26   | 07/01/2009 | 1.000 | 394.22    | 364.23    | 29.99    | 35,628.03 |
| 27   | 08/01/2009 | 1.000 | 394.22    | 364.53    | 29.69    | 35,263.50 |
| 28   | 09/01/2009 | 1.000 | 394.22    | 364.83    | 29.39    | 34,898.67 |
| 29   | 10/01/2009 | 1.000 | 394.22    | 365.14    | 29.08    | 34,533.53 |
| 30   | 11/01/2009 | 1.000 | 394.22    | 365.44    | 28.78    | 34,168.09 |
| 31   | 12/01/2009 | 1.000 | 394.22    | 365.75    | 28.47    | 33,802.34 |
| SUM: |            |       | 4,730.64  | 4,368.91  | 361.73   |           |

MortgageMinder  
STANDARD AMORTIZATION SCHEDULE

| PMT  | DATE       | RATE  | PRINC&INT | PRINCIPAL | INTEREST | BALANCE   |
|------|------------|-------|-----------|-----------|----------|-----------|
| 32   | 01/01/2010 | 1.000 | 394.22    | 366.05    | 28.17    | 33,436.29 |
| 33   | 02/01/2010 | 1.000 | 394.22    | 366.36    | 27.86    | 33,069.93 |
| 34   | 03/01/2010 | 1.000 | 394.22    | 366.66    | 27.56    | 32,703.27 |
| 35   | 04/01/2010 | 1.000 | 394.22    | 366.97    | 27.25    | 32,336.30 |
| 36   | 05/01/2010 | 1.000 | 394.22    | 367.27    | 26.95    | 31,969.03 |
| 37   | 06/01/2010 | 1.000 | 394.22    | 367.58    | 26.64    | 31,601.45 |
| 38   | 07/01/2010 | 1.000 | 394.22    | 367.89    | 26.33    | 31,233.56 |
| 39   | 08/01/2010 | 1.000 | 394.22    | 368.19    | 26.03    | 30,865.37 |
| 40   | 09/01/2010 | 1.000 | 394.22    | 368.50    | 25.72    | 30,496.87 |
| 41   | 10/01/2010 | 1.000 | 394.22    | 368.81    | 25.41    | 30,128.06 |
| 42   | 11/01/2010 | 1.000 | 394.22    | 369.11    | 25.11    | 29,758.95 |
| 43   | 12/01/2010 | 1.000 | 394.22    | 369.42    | 24.80    | 29,389.53 |
| SUM: |            |       | 4,730.64  | 4,412.81  | 317.83   |           |
| 44   | 01/01/2011 | 1.000 | 394.22    | 369.73    | 24.49    | 29,019.80 |
| 45   | 02/01/2011 | 1.000 | 394.22    | 370.04    | 24.18    | 28,649.76 |
| 46   | 03/01/2011 | 1.000 | 394.22    | 370.35    | 23.87    | 28,279.41 |
| 47   | 04/01/2011 | 1.000 | 394.22    | 370.65    | 23.57    | 27,908.76 |
| 48   | 05/01/2011 | 1.000 | 394.22    | 370.96    | 23.26    | 27,537.80 |
| 49   | 06/01/2011 | 1.000 | 394.22    | 371.27    | 22.95    | 27,166.53 |
| 50   | 07/01/2011 | 1.000 | 394.22    | 371.58    | 22.64    | 26,794.95 |
| 51   | 08/01/2011 | 1.000 | 394.22    | 371.89    | 22.33    | 26,423.06 |
| 52   | 09/01/2011 | 1.000 | 394.22    | 372.20    | 22.02    | 26,050.86 |
| 53   | 10/01/2011 | 1.000 | 394.22    | 372.51    | 21.71    | 25,678.35 |
| 54   | 11/01/2011 | 1.000 | 394.22    | 372.82    | 21.40    | 25,305.53 |
| 55   | 12/01/2011 | 1.000 | 394.22    | 373.13    | 21.09    | 24,932.40 |
| SUM: |            |       | 4,730.64  | 4,457.13  | 273.51   |           |
| 56   | 01/01/2012 | 1.000 | 394.22    | 373.44    | 20.78    | 24,558.96 |
| 57   | 02/01/2012 | 1.000 | 394.22    | 373.75    | 20.47    | 24,185.21 |
| 58   | 03/01/2012 | 1.000 | 394.22    | 374.07    | 20.15    | 23,811.14 |
| 59   | 04/01/2012 | 1.000 | 394.22    | 374.38    | 19.84    | 23,436.76 |
| 60   | 05/01/2012 | 1.000 | 394.22    | 374.69    | 19.53    | 23,062.07 |
| SUM: |            |       | 1,971.10  | 1,870.33  | 100.77   |           |

MortgageMinder  
STANDARD AMORTIZATION SCHEDULE

<M>onthly or <B>iweekly Mortgage: M  
 Daily Basis: 360  
 Original Mortgage Amount: 23,062.07  
 <F>ixed or <A>djustable Rate: F  
 Interest Rate: 1.000%  
 # Times Compounded/Year: 12  
 Term: 2 Years  
 1st Payment Due: 06/01/2012  
 Principal & Interest Due: 970.96

| PMT  | DATE       | RATE  | PRINC&INT | PRINCIPAL | INTEREST | BALANCE   |
|------|------------|-------|-----------|-----------|----------|-----------|
| 1    | 06/01/2012 | 1.000 | 970.96    | 951.74    | 19.22    | 22,110.33 |
| 2    | 07/01/2012 | 1.000 | 970.96    | 952.53    | 18.43    | 21,157.80 |
| 3    | 08/01/2012 | 1.000 | 970.96    | 953.33    | 17.63    | 20,204.47 |
| 4    | 09/01/2012 | 1.000 | 970.96    | 954.12    | 16.84    | 19,250.35 |
| 5    | 10/01/2012 | 1.000 | 970.96    | 954.92    | 16.04    | 18,295.43 |
| 6    | 11/01/2012 | 1.000 | 970.96    | 955.71    | 15.25    | 17,339.72 |
| 7    | 12/01/2012 | 1.000 | 970.96    | 956.51    | 14.45    | 16,383.21 |
| SUM: |            |       | 6,796.72  | 6,678.86  | 117.86   |           |
| 8    | 01/01/2013 | 1.000 | 970.96    | 957.31    | 13.65    | 15,425.90 |
| 9    | 02/01/2013 | 1.000 | 970.96    | 958.11    | 12.85    | 14,467.79 |
| 10   | 03/01/2013 | 1.000 | 970.96    | 958.90    | 12.06    | 13,508.89 |
| 11   | 04/01/2013 | 1.000 | 970.96    | 959.70    | 11.26    | 12,549.19 |
| 12   | 05/01/2013 | 1.000 | 970.96    | 960.50    | 10.46    | 11,588.69 |
| 13   | 06/01/2013 | 1.000 | 970.96    | 961.30    | 9.66     | 10,627.39 |
| 14   | 07/01/2013 | 1.000 | 970.96    | 962.10    | 8.86     | 9,665.29  |
| 15   | 08/01/2013 | 1.000 | 970.96    | 962.91    | 8.05     | 8,702.38  |
| 16   | 09/01/2013 | 1.000 | 970.96    | 963.71    | 7.25     | 7,738.67  |
| 17   | 10/01/2013 | 1.000 | 970.96    | 964.51    | 6.45     | 6,774.16  |
| 18   | 11/01/2013 | 1.000 | 970.96    | 965.31    | 5.65     | 5,808.85  |
| 19   | 12/01/2013 | 1.000 | 970.96    | 966.12    | 4.84     | 4,842.73  |
| SUM: |            |       | 11,651.52 | 11,540.48 | 111.04   |           |
| 20   | 01/01/2014 | 1.000 | 970.96    | 966.92    | 4.04     | 3,875.81  |
| 21   | 02/01/2014 | 1.000 | 970.96    | 967.73    | 3.23     | 2,908.08  |
| 22   | 03/01/2014 | 1.000 | 970.96    | 968.54    | 2.42     | 1,939.54  |
| 23   | 04/01/2014 | 1.000 | 970.96    | 969.34    | 1.62     | 970.20    |
| 24   | 05/01/2014 | 1.000 | 970.96    | 970.15    | 0.81     | 0.05      |
| SUM: |            |       | 4,854.80  | 4,842.68  | 12.12    |           |

ORDINANCE NO. \_\_\_\_\_

**AN ORDINANCE AUTHORIZING AND APPROVING AN ECONOMIC DEVELOPMENT LOAN IN THE AMOUNT OF \$45,000.00 TO THE ADMIRAL'S DAUGHTER, LLC (F.K.A. THE BASKET OCCASION, LLC); AND DECLARING THAT THIS ORDINANCE SHALL TAKE IMMEDIATE EFFECT IN ACCORDANCE WITH SECTION 14 OF THE CITY CHARTER.**

**WHEREAS**, The Admiral's Daughter, LLC, of Sandusky, Ohio, submitted an application to the City of Sandusky's Revolving Loan Fund Committee for partial funding of the purchase of new inventory to change the entire merchandising focus of the store by making clothing their primary business and basket and gift items taking a minor role; and

**WHEREAS**, the owner has operated The Admiral's Daughter (F.K.A. Basket Occasion) store in downtown Sandusky for more than twenty years but consumer's tastes have changed making it necessary to change the entire merchandising focus to make the store profitable again; and

**WHEREAS**, the RLF Committee met on August 17, 2006, and unanimously voted to recommend a 7-year, 1% loan for a maximum of \$45,000.00 with a amortization based upon ten years during the first five years of the loan and an initial six-month interest only period with the City having a lien on all business assets and the personal guarantees and mortgage on the home of Richard and Mary Ann Pietz as contained in the terms of the Promissory Note and Security Agreement, a copy of which is attached to this Ordinance and marked Exhibit "A" and specifically incorporated herein; and

**WHEREAS**, The Admiral's Daughter, LLC, must certify hiring a minimum of two new full-time equivalent employees within the first six months of receiving this loan which will result in additional income taxes for the City; and

**WHEREAS**, this loan will not impact the City's operating budget, the loan is restricted in use and is within the RLF guidelines and shall be monitored on an annual basis by the Department of Community Development; and

**WHEREAS**, this legislation should be passed under suspension of the rules as an emergency measure in accordance with Section 14 of the City Charter in order for the company to purchase merchandise and take advantage of the Fall merchandising season; and

**WHEREAS**, in that it is deemed necessary in order to provide for the immediate preservation of the public peace, property, health, and safety of the City of Sandusky, Ohio, and its citizens, and to provide for the efficient daily operation of the Municipal Departments of the City of Sandusky, Ohio, the City Commission of the City of Sandusky, Ohio finds that an emergency exists regarding the aforesaid, and that it is advisable that this **Ordinance** be declared an emergency measure which will take immediate effect in accordance with Section 14 of the City Charter upon its adoption; and NOW, THEREFORE,

BE IT ORDAINED BY THE CITY COMMISSION OF THE CITY OF SANDUSKY, OHIO, THAT:

Section 1. The Finance Director is authorized and directed to deliver to The Admiral's Daughter, LLC, a draft in the sum of Forty Five Thousand and 00/100 Dollars (\$45,000.00) from the Revolving Loan Fund of the City of Sandusky pursuant to and in accordance with the terms of the Promissory Note and Security Agreement, with The Admiral's Daughter, LLC, of Sandusky, Ohio, a copy of which is attached to this Ordinance, marked Exhibit "A" and specifically incorporated as if fully rewritten herein.

Section 2. If any section, phrase, sentence, or portion of this Ordinance is for any

reason held invalid or unconstitutional by any Court of competent jurisdiction, such portion shall be deemed a separate, distinct, and independent provision, and such holding shall not affect the validity of the remaining portions thereof;

Section 3. This City Commission finds and determines that all formal actions of this City Commission concerning and relating to the passage of this Ordinance were taken in an open meeting of this City Commission and that all deliberations of this City's Commission and any of its committees that resulted in those formal actions were in meetings open to the public, in compliance with all legal requirements;

Section 4. That for the reasons set forth in the preamble hereto, this Ordinance is hereby declared to be an emergency measure which shall take effect and be in full force from and after its adoption and due authentication by the President and the Clerk of the City Commission of the City of Sandusky, Ohio.

\_\_\_\_\_  
DANIEL J. KAMAN  
PRESIDENT OF THE CITY COMMISSION

ATTEST: \_\_\_\_\_  
B. JOYCE BROWN  
CLERK OF THE CITY COMMISSION

Passed:

TO: City Commission

FROM: Gary Packan, Assistant City Manager

DATE: September 29, 2006

RE: Commission Agenda Item (Rieger Lofts RLF)

**ITEM FOR CONSIDERATION:** A Resolution repealing Ordinance #05-156 passed on October 24, 2005 that approved a \$100,000 loan at 5% to the project. The Revolving Loan Fund Committee has recommended amending the loan terms as previously approved. The new ordinance is requesting and approving the expenditure of Community Development Block (CDBG) funds in the maximum amount of \$250,000 sourced as follows: 1. A maximum of \$150,000 from the City's Revolving Loan funds, and 2. \$100,000 sourced from the City's of Sandusky's FY 2004 Community Development Block Grant (CDBG) Economic Development Special Projects Program.

These funds will be loaned to United States Construction (or a related entity or entities) for partial funding of the renovation of a building located at 232 Jackson Street commonly known as the Sanduskian Hotel or Rieger. The building will be renovated into 14,700 square feet of retail space and 41 apartments. The project will also include complete exterior renovation and new windows throughout the building. Initial construction will cost approximately \$5,000,000 with primary funding (\$3,000,000) coming from a loan guaranteed by the U.S. Department of Housing and Urban Development (HUD). The \$2,000,000 shortfall is to be made up with historic tax credits (\$900,000-\$1,000,000), deferred developers fees (\$600,000), owners' equity and other miscellaneous funding sources.

The City's Foundations have agreed to support this project by providing up to \$250,000 in funding for the project in the form of a matching grant to the City's Revolving Loan. These funds will become part of the loan package with and loan repayments will be credited to the to the City's Revolving Loan Fund.

The City's Revolving Loan Committee met on September 15, 2006 and voted unanimously to recommend approval of the loan terms as outlined in the attached Commitment Letter. Repayment sources include receipt by the City of 5% of gross rents on the commercial units; repayments from project cash flow and a formulaic repayment for each residential unit sold as a condominium, which is further delineated in the attached commitment letter. No city funds will be expended until all other financing is in place and the renovation project is underway.

The City has applied for and has reasonable expectation that it will receive partial funding for this project in the form of a \$100,000 grant from the Federal Save America's Treasurers grant program. Should the City receive this funding, the City and the Foundations will each reduce their commitments from \$250,000 to \$200,000.

**BACKGROUND INFORMATION:** The Sanduskian has been vacant for a number of years and, until recently, had continued to deteriorate. U.S. Construction has spent over \$400,000 repairing and stabilizing the building as well as additional monies for architects, engineers and consultants.

After considering a number of proposals and working with several developers, staff believes that U.S. Construction's proposal for this building has the best chance of succeeding.

U.S. Construction is owned by Gregory Spatz. Mr. Spatz graduated from Ohio State in 1976 with a degree in real estate and construction and has primarily done construction work including building 70 stores for Home Depot and has developed two condominium projects and several office buildings, all of which he owns. Mr. Spatz developed a subdivision/marina in Ottawa County two years ago and has been involved in various facets of the development and construction of 500-1,000 apartment units.

**BUDGETARY INFORMATION:**

This action will not impact the City operating budget. The Special Projects loan was set aside as part of the FY 2004 CDBG allocation from the Department of Housing and Urban Development. The loan funds are restricted in use and this loan is within the guidelines of the program. The matching grant from the Foundations will become part of the loan to the company and repayments will be added to the City's Revolving Loan Fund making additional dollars available for other deserving projects. It is estimated that, when complete, the project will result in the hiring of 30 full time equivalent employees. The new hires will result in additional income taxes for the city.

**STRATEGIC PLAN IMPACT:**

**Development of Housing** – By redeveloping the former property commonly known as the “Sanduskian Hotel” into apartments, the goal of improving housing opportunities is accomplished.

**Development of Business** – By redeveloping this vacant property into a multi-use facility, Sandusky will receive the benefits of additional retail in downtown as it is proposed to have approximately 14,700 sq. ft. of retail space located on the bottom floors of the Rieger Lofts.

**Financial Improvements** – By bringing a vacant underutilized property back onto the tax roles, the city, county and school system will see a financial benefit through increased property taxes, increased income taxes from new residents as well as the fact more people are living downtown, thus patronizing local businesses.

**Brownfield or Vacant Properties** – Although the Rieger Lofts project is not a Brownfield site, it was a vacant and dilapidated building. City staff has provided assistance to redevelop an underutilized vacant property.

**ACTION REQUESTED:**

It is requested that the City Commission enact the attached legislation under

suspension of the rules as an emergency measure in accordance with Section 14 of the City Charter. The loan guarantee program from H.U.D. requires that the developer have commitment letters from all other sources of financing before a commitment is issued. Time is of the essence as the developer needs the city's commitment letter before H.U.D. will lock in today's low interest rate. The developer wishes to close the loans and start construction in early 2007.

**I concur with this recommendation:**

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Michael J. Will, City Manager

ORDINANCE NO. \_\_\_\_\_

**AN ORDINANCE REPEALING ORDINANCE NO. 05-156 PASSED ON OCTOBER 24, 2005; APPROVING AND AUTHORIZING A COMMUNITY DEVELOPMENT BLOCK GRANT LOAN FROM THE CITY'S REVOLVING LOAN FUND AND A COMMUNITY DEVELOPMENT BLOCK GRANT ECONOMIC DEVELOPMENT SPECIAL PROJECTS PROGRAM LOAN TO UNITED STATES CONSTRUCTION THROUGH ITS RELATED ENTITIES (RIEGER LOFTS, L.L.C., RIEGER COMMERCIAL PROPERTIES, L.L.C., AND 232 JACKSON STREET, L.L.C.); AUTHORIZING AND DIRECTING THE CITY MANAGER TO EXECUTE THE COMMITMENT LETTER IN RELATION THERETO AND DECLARING THAT THIS ORDINANCE SHALL TAKE IMMEDIATE EFFECT IN ACCORDANCE WITH SECTION 14 OF THE CITY CHARTER.**

**WHEREAS**, this City Commission previously approved an Economic Development Loan to United States Construction or related entities as recommended by the City's Revolving Loan Fund Committee for \$100,000.00 by Ordinance No. 05-156, passed on October 24, 2005; and

**WHEREAS**, the City's Revolving Loan Fund Committee met on September 6, 2006, and is recommending that the terms of the original \$100,000.00 loan as approved by Ordinance No. 05-156 be amended and is further recommending the expenditure of a maximum amount of \$250,000.00, which includes the original \$100,000.00 approved by Ordinance No. 05-156 which was encumbered but not expended from the following sources: a maximum amount of \$150,000.00 from the City's Revolving Loan Funds and \$100,000.00 from the City's FY 2004 Community Development Block Grant Economic Development Special Projects Program; and

**WHEREAS**, a copy of the Commitment Letter containing the terms of the City's financial commitment to be ultimately reflected in loan documents is attached, marked Exhibit "1" and specifically incorporated as if fully rewritten herein; and

**WHEREAS** this Ordinance should be passed as an emergency measure under suspension of the rules in accordance with Section 14 of the City Charter in order to provide the Commitment Letter to the developer for presentation to HUD to secure current interest rates, close the loan, and begin construction in early 2007; and

**WHEREAS**, in that it is deemed necessary in order to provide for the immediate preservation of the public peace, property, health, and safety of the City of Sandusky, Ohio, and its citizens, and to provide for the efficient daily operation of the Municipal Departments of the City of Sandusky, Ohio, the City Commission of the City of Sandusky, Ohio finds that an emergency exists regarding the aforesaid, and that it is advisable that this **Ordinance** be declared an emergency measure which will take immediate effect in accordance with Section 14 of the City Charter upon its adoption; and NOW, THEREFORE,

BE IT ORDAINED BY THE CITY COMMISSION OF THE CITY OF SANDUSKY, OHIO, THAT:

Section 1. Ordinance No. 05-156, passed on October 24, 2005, is hereby repealed.

Section 2. This City Commission approves the terms of the City's financial commitment as delineated in Exhibit "1" attached to this Ordinance and specifically incorporated as if fully rewritten herein and authorizes and directs the City Manager to execute the Commitment Letter substantially in the same form.

Section 3. The Finance Director is authorized and directed to deliver to United States Construction through its related entities (Rieger Lofts, L.L.C., Rieger Commercial Properties, L.L.C., and 232 Jackson Street, L.L.C.), a draft in the sum of \$100,000.00 from the FY 2004 Community Development Block Grant Economic Development Special Projects Program and a draft in the maximum amount of \$150,000.00 from the City's Revolving Loan Fund (the precise amount of this draft may be less than \$150,000.00 depending upon any funds received from the Federal Save America's Treasures Grant Program) pursuant to and in accordance with the terms contained in the Commitment Letter, a copy of which is marked Exhibit "1", attached to this Ordinance and specifically incorporated as if fully rewritten herein.

Section 4. If any section, phrase, sentence, or portion of this Ordinance is for any reason held invalid or unconstitutional by any Court of competent jurisdiction, such portion shall be deemed a separate, distinct, and independent provision, and such holding shall not affect the validity of the remaining portions thereof.

Section 5. This City Commission finds and determines that all formal actions of this City Commission concerning and relating to the passage of this Ordinance were taken in an open meeting of this City Commission and that all deliberations of this City Commission and of any of its committees that resulted in those formal actions were in meetings open to the public in compliance with the law.

Section 6. That for the reasons set forth in the preamble hereto, this Ordinance is hereby declared to be an emergency measure which shall take immediate effect in accordance with Section 14 of the City Charter after its adoption and due authentication by the President and the Clerk of the City Commission of the City of Sandusky, Ohio.

\_\_\_\_\_  
DANIEL J. KAMAN  
PRESIDENT OF THE CITY COMMISSION

ATTEST: \_\_\_\_\_  
B. JOYCE BROWN  
CLERK OF THE CITY COMMISSION

Passed: