

SPECIAL FINANCE COMMITTEE MINUTES

OF JUNE 25, 2018

Municipal Council of the City of Vermilion  
Municipal Complex, 685 Decatur Street, Vermilion, Ohio 44089

**In Attendance:**            **Vermilion City Council:**  
*Steve Herron, President of Council; Monica Stark, Council at Large; John Gabriel, Ward One;  
Frank Loucka, Ward Two; Steve Holovacs, Ward Three; Barb Brady, Ward Four. ABSENT:  
Brian Holmes, Ward Five.*

**Administration:**  
*Jim Forthofer, Mayor; Amy Hendricks, Finance Director; Tony Valerius, Service Director*

**Call to Order:**            FRANK LOUCKA, Vice Chairman, RESOLVED THAT this Special Finance  
Committee comprised of the committee of the whole does now come to order.

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**TOPIC ONE:**            **Tax Abatement**

Mayor Forthofer reported that in April he received a lead from Councilman Gabriel regarding a business owner interested in purchasing land for development in the Vermilion, Lorain or Vermilion Township area. Therefore, he contacted Guy Sako, the sole proprietor of Defense Soap LLC and a Vermilion resident. Defense Soap is a distributor and wholesaler of soap products for athletics, the medical industry and the military. He noted the soap has high bacterial relief. The soap is made elsewhere but shipped here for distribution. Mr. Sako's current operations are located in Lakewood, California, and New York and they would like to move someplace where they can consolidate their locations into one. The administration has worked with Guy Sako in directing him to several properties in town that have four acres. He didn't fall in love with any of the properties they showed him and he was looking in Vermilion Township and at the Baumhart Road Industrial Park. Mayor Forthofer learned last week that Mr. Sako was putting in a 'Letter of Intent' on property located on Baumhart Road. Upon hearing this, he called Jerry Good, Economic Coordinator for Lorain County and they held a meeting with Mr. Sako to talk about possible incentives in relocating to Vermilion. They are looking at the property west of German's Villa. The decision was to go through the enterprise zone as suggested by Jerry Good which qualifies as an enterprise zone, with a tax abatement of 75% on the building only over a 10 year period. If it was a million dollar building it would generate about \$28,000 and if it was an \$800,000 building it would generate \$22,000 a year. After relaying this information to Guy Sako, he was very excited about the fact there was a city being responsive and willing to work with him. Therefore, Mr. Sako withdrew his 'Letter of Intent' on the Lorain property contingent on pushing through this tax abatement. Therefore, he asked for council's consideration in preparing legislation to grant this tax abatement.

B. Brady asked if they were good with sewers at this location and T. Valerius said he would need to look at the map but said there is a sanitary in the back of a lot of those lots. B. Brady thought there was so much stuff dumped back there that it was impossible to dig, and this is why they had to go under Liberty. T. Valerius said German's has sewers next door.

Mayor Forthofer said this past weekend he drew up the application to the Ohio Department of Development and a letter to Superintendent Pempin. He said Mr. Sako is also a wrestling coach at Saint Ed's and he would like to help the Vermilion School System. He will have some mats in a room in the back of his building to help teach kids. Mayor Forthofer said Mr. Sako is looking

for some movement towards abatement, so he would propose to City Council to initiate legislation.

J. Gabriel said in preliminary conversations with Mr. Sako, he even talked about moving his Amazon operation in Vermilion. He will go from nine jobs to 18 right away; he has international sales. He said this business has the potential for increased growth. B. Brady asked how many acres Mr. Sako was planning on purchasing and Mayor Forthofer said four acres to begin with and there is additional room to expand.

J. Gabriel gave credit to Mayor Forthofer for working hard on this opportunity. He said this is a good fit for Vermilion because they are distributors and this won't disturb the neighborhood. Mayor Forthofer thanked J. Gabriel for the lead.

**S. Herron MOVED**; F. Loucka seconded to have legislation prepared to grant a tax abatement to Guy Sako, sole proprietor of Defense Soap LLC. Roll Call Vote 6 YEAS. **MOTION CARRIED**.

After no further discussion came before the committee, Vice Chair Loucka adjourned the meeting.

Next Meeting: July 16, 2018 @ 7:00 p.m.

Gwen Fisher Certified Municipal Clerk