

9:10

**Call to Order**

**6:30 PM**

**Roll Call**

**Present:** Council President Caruso, Council Vice President B. Savage, Councilmembers: D. Bender; AJ Ganim, A. Koepke; M. Jantzen, B. Stucky. Mayor Kingston, Law Director D. Matty, Asst. Law Director L. Sabol. Media Specialist M. Rapkin, Clerk T. Tabor.

**Absent:** None.

Guests: Kevin DiGeronimo, John Neal.

Council Members Bender and Ganim were excused due to a conflict of interest.

1. **Community Entertainment District** - The City of Brecksville will hold a public meeting at 6:30 PM on March 18, 2025, to consider proposed legislation. The City of Brecksville is providing public notice that VA Vesta II, LLC has submitted an application to have a 71 -acre area declared a Community Entertainment District. Specifically, application was made on January 31, 2025, with Mayor Kingston to establish the 'Valor Acres Community Entertainment District,' Pursuant to Ohio Revised Code §4301 .80. This effort will authorize the issuance of up to fourteen (14) new liquor permits to qualified businesses that apply with, and are granted approval by, the Ohio Division of Liquor Control, to operate a liquor permit establishment in the District. The benefits of Valor Acres Community Entertainment District are many and include the addition of numerous new businesses, nearly 800 new jobs, and new annual tax revenues totaling over \$10 million. Mayor Kingston has recommended the approval of the establishment of the District. VA Vesta II, LLC's application is on file in the office of the Clerk of Council and is available for inspection by the public during regular business hours.

Mr. Neal presented information regarding a proposed Community Entertainment District (CED) at Valor Acres. The Community Entertainment District is a method that is given to municipalities by Ohio statute to form entertainment districts that act as an additional set of liquor licenses in select circumstances. A Community Entertainment District is a separate pot of liquor licenses that are made available to qualifying businesses that are located within the bounds the geographic bounds of the Community Entertainment District in that District only so it is basically a confined population of special permits for businesses in that particular District. The benefit to doing so is where the quota population of permits for the entirety of the city is exhausted, so in other words if anyone wanted to obtain a new liquor license in the city of Brecksville such person would have to file an application but no permits are available because all of them are taken up by other users. Therefore that applicant would have to sit on a waiting list in what we call a no opening position until such time as one of the other permits became available. What the CED does is allows for a separate population of permits and it allows for those applicants within the district to apply for a new license from the State and get it at the State minimum application cost of approximately \$2,844.00 so the difference is that those users do not have to go through a transfer process whereby they have to buy a liquor permit off somebody else and transfer it into the city. The city could see a large number of TREX liquor permit applications. The City doesn't necessarily want to issue TREX permits, every time you bring in a TREX liquor permit into the city's limits that license can subsequently be retransferred within anywhere within your city limits without your endorsement or approval. The City always has an objection right but there's a difference TREX permits when they first come in must have an endorsement and an approval by this Council. Restaurants and other hospitality users could give you an unintended consequence down the road of those licenses ending up somewhere outside of the Valor Acres Community Entertainment District. The CED conversely confines everything in that one space. We believe that the CED is a catalyst for enormous economic growth and will benefit the city. We ask for your support.

14:52

Council President Caruso said he views the CED as an important tool to attract the finest tenants to the City.

Council President Caruso said he has been in the food and beverage business his whole adult career and sees the importance of this. There is one restaurant that was announced that he has done business with for years and the CED would be a critical part to finalizing and coming to Brecksville. Council President Caruso said he agrees with your commentary about the TREX licenses. This is much more favorable because it ties to the geographic area in Valor Acres. It creates a pool, it doesn't mean they're all going to get used, but it puts Brecksville, in his opinion, in the best position for long-term success.

Council Member Koepke said for those that might be listening the first time this is for 14 liquor licenses within the parameters that was drawn at Valor Acres.

Mr. Neal said that is correct. The application sets forth, in legal description form and also in in a map form, the boundaries of the CED that we have proposed and all 14 those licenses will be within that district. Mr. Neal clarified this district doesn't place 14 brand new liquor permits within the boundaries of the CED. It makes available to applicants the ability to make an application and get a permit if they otherwise qualify and if this Council otherwise doesn't object. The City and the Police have the opportunity to exercise their objections this does not just put 14 liquor permits into a space This is merely an opportunity to apply for one and go through the regular process.

Council President Caruso said the applicants would still come before planning and Council for approval, we're not giving up any controls.

Mr. Neal said that is accurate and he was asked the question of what kind of control does the city lose if it does this and I acknowledged the fact that it loses nothing. All the same processes are followed and if for some reason this was not something that the city ultimately found to be beneficial through however long it was in existence. The code actually provides the ability for this Council to go back and remove it and revise it. If adopted this Council has complete control through the legislative process.

Council Member Stucky asked if a restaurant obtains a liquor license goes out of business in five years, what happens to the liquor permit they held.

17:50

Mr. Neal said traditionally that license is just cancelled. Usually the owner does not renew the permit, because they don't pay the yearly fee and send in the application. They file a one-page piece of paper saying they were cancelling their license. The license becomes inactivated and it goes back into the pot of what I'm calling it the "quota pot" of available permits that someone else may apply for.

Council Member Stucky asked if it could be sold outside the CED.

Mr. Neal said it cannot be sold for use outside of the CED. That's in section 4301.80 of the code actually. It's reflected in two different sections 4303.161 where it explicitly says these licenses cannot leave the geographic bounds of the CED. Mr. Neal provided a quote to that effect. The D5g permit, which is what a Community Entertainment District permit is. "Permit shall be issued only within a Community Entertainment District" that is designated under Section 4303.18 of the Revised Code it can only be issued there and that also means it can't be issued somewhere else. "The location of a D5j permit may be transferred only within the geographic boundaries of the Community Entertainment District in which it was issued and shall not be transferred outside the geographic boundaries of that district."

Council Member Stucky asked if the 75 Acres that make up the CED are actually three different parcels, what happens if one of those parcels is sold so that you don't have the 75 Acres anymore to hold your 14 liquor licenses.

Mr. Neal said the sale of a piece of property within the district does not invalidate or terminate the CED. It's not who owns every parcel within the CED does not have to be owned by the same owner. The code allows for a one owner within a designated area within a designated CED to make the application. If one of these Parcels was sold to somebody else the CED maintains its status as the Community Entertainment District but nothing else changes. Anyone who wants to come in here and apply for a license still has to go through all the processes that we've discussed.

Council Member Stucky said somebody could come in and buy a portion of that property and they then could apply for one of the CED liquor licenses one of the 14 if there's any available.

Mr. Neal said to obtain a liquor license, a D-class liquor license, the applicant must be the food service operator you cannot obtain a liquor license no matter what unless you are a licensed food business.

Council Member Stucky if a qualified company is they would have a chance if there's any liquor licenses available in the CED to apply for one of those.

Mr. Neal said yes.

Council Member Stucky asked what happens if there's none available and they want to do their own CED inside the CED.

Mr. Neal said that can'y be done. If the 14 permits that this CED authorizes were to be taken up by virtue of being issued to 14 users, without doing anything new that user would have to come to Council for a TREX transfer.

Council Member Stucky said a company could apply for a TREX permit. This would have to be individual ones.

Mr. Neal said yes. In other words, if 14 permits were ever to be issued and someone wanted another CED, they would have to come back before this Council. The acreage would have to be separate and independent from the acreage that it's already used to form this CED. You cannot overlap them.

Council Member Stucky said he wanted to make sure the City was safeguarded and that 14 was the top number of available CED permits.

Mr. Neal said correct. Further discussion on the point, what could happen is, if other larger developments are created, a second CED could be formed. Crocker Park, in Westlake, is an example. They had CED - 1 and they had so much development and so many restaurant users that they had to form a second one. Those two geographic boundaries are separate. The CED's do not overlap and must have the requisite acreage for the second one to be able to form.

Council Member Stucky said that is what he wanted to confirm.

Council President Caruso said the Valor Acres Development is landlocked. Crocker Park had more area to develop a second CED.

Council Member Jantzen said the topic of a CED has nothing to do with what can be built at Valor Acres. What can be built will be considered separately by the Planning Commission and City Council.

Hearing no further comments, Council President Caruso moved to adjourn the meeting.

## **Adjourn**

**6:54 PM**

Motion made by Caruso, Seconded by Savage.

Voting Yea: Caruso, Jantzen, Koepke, Savage, Stucky.

**MOTION CARRIED: 5- Ayes, 0-Nays, 0-Abstain.**