

**AGENDA  
EUCLID CITY COUNCIL MEETING  
MONDAY, APRIL 1, 2019 AT 7:00 PM  
EUCLID MUNICIPAL CENTER COUNCIL CHAMBER**

**PERMISSIBLE PRELIMINARIES:**

**FIRST GAVEL**

**PLEDGE OF ALLEGIANCE**

**EUCLID CITY COUNCIL MEETING BUSINESS:**

**SECOND GAVEL**

**ROLL CALL OF MEMBERS**

**COMMUNICATIONS: NONE AT THIS TIME**

**COUNCIL MINUTES: FEBRUARY 18, 2019**

**ADMINISTRATION REPORTS & COMMUNICATIONS:**

**COMMITTEE DOCUMENTATION:**

- BOARD OF CONTROL DATED: MARCH 11, 18 and 25, 2019
- COMMUNITY/NEIGHBORHOOD ENGAGEMENT COMMITTEE HELD: 3/13/2019

**COMMITTEE OF THE WHOLE FOR LEGISLATIVE MATTERS ONLY**

<b>ACTION</b>	<b>LEGISLATION</b>	<b>PROPOSED</b>
	<p>1. A resolution celebrating Arbor Day on Friday, April 26, 2019, in the City of Euclid, and encouraging all residents throughout our community to appreciate the beauty, value, benefit and significance of trees to our City. (Sponsored by Mayor Holzheimer Gail and All Members of Council)</p> <p><b>Comment: This is our annual resolution celebrating Arbor Day.</b></p>	<p>Res. (034-19)</p>
	<p>2. A resolution in support of Ohio Senate Bill 8, as introduced in the 133<sup>rd</sup> General Assembly, authorizing an income tax credit for certain investments in Ohio Opportunity Zones. (Sponsored by Mayor Holzheimer Gail)</p> <p><b>This would authorize income tax credit for certain investments in Ohio Opportunity Zones.</b></p>	<p>Res. (036-19)</p>
<b>Second Reading</b>	<p>3. An ordinance authorizing the Mayor of the City of Euclid or her designee to execute a License Agreement with The Huntington National Bank for the installation, operation and maintenance of an automated teller machine in the Downtown Municipal Parking Lot (permanent parcel number 644-25-024). (Sponsored by Mayor Holzheimer Gail and Councilperson McIntosh)</p> <p><b>Comment: This would allow for a bank ATM in the city parking lot</b></p>	<p>Ord. (030-19)</p>
	<p>4. An ordinance enacting Section 331.45 "Use of Electronic Wireless Communication Devices" of Chapter 331 "Operation Generally" of the Traffic Code of the Codified Ordinances for the City of Euclid to prohibit the use of cellular telephones while driving in the City of Euclid. (Sponsored by Councilperson Hill) (To be referred to Public Safety Committee)</p> <p><b>Comment: This would prohibit cell phone usage while driving</b></p>	<p>Ord. (035-19)</p>

**COMMITTEE OF THE WHOLE – PUBLIC PORTION**

**COUNCIL MEMBERS' COMMENTS**

**ADJOURNMENT**

Resolution No.

By – Mayor Holzheimer Gail and All Members of Council

A resolution celebrating Arbor Day on Friday, April 26, 2019, in the City of Euclid, and encouraging all residents throughout our community to appreciate the beauty, value, benefit and significance of trees to our City.

WHEREAS, In 1872, J. Sterling Morton proposed to the Nebraska Board of Agriculture that a special day be set aside for the planting of trees as Morton proclaimed, "Each generation takes the earth as trustees"; and

WHEREAS, Arbor Day was first observed with the planting of more than a million trees in Nebraska and Arbor Day is now observed throughout the nation and the world; and

WHEREAS, The Arbor Day Foundation administers a program entitled "Tree City USA." Cities that participate in the program must meet four core standards of sound urban forestry management including: maintaining a tree board or department; having a community tree ordinance; spending at least \$2 per capita on urban forestry and celebrating Arbor Day;

WHEREAS, The City of Euclid has achieved Tree City USA status for the past 28 years;

WHEREAS, as part of the commitment to Arbor Day, the City's Tree City USA designation and the many benefits that trees provide to the environment, the City has a yearly tree planting program. In 2018, the City of Euclid planted 151 trees; and

WHEREAS, another example of the City's commitment to Arbor Day is evidenced by the Shade Tree/Municipal Beautification Commission. The Commission sponsors the annual Euclid Pond and Garden Tour and encourages businesses and residents to plant trees. The Shade Tree/Municipal Beautification Commission also helps the City coordinate its yearly Arbor Day Celebration, that will take place this year on Friday, April, 26, 2019; and

WHEREAS, the City of Euclid by its Council and Administration wish to express their appreciation of the various trees planted throughout our community and encourage the citizens of Euclid to plant, maintain and care for trees now and in the future, so that our children and our children's children will have the opportunity to know and appreciate the significance of trees.

NOW, THEREFORE, be it ordained by the Council of the City of Euclid, State of Ohio:

Section 1: That Friday, April 26, 2019 shall be recognized and was celebrated as Arbor Day throughout the City of Euclid, Ohio.

Section 2: That it is found and determined that all formal actions of this Council concerning and relating to the adoption of this resolution were adopted in an open meeting of this Council, and that all deliberations of this Council and any of its committees that resulted in such formal action, were in meetings open to the public, in compliance with all legal requirements, including Section 121.22 of the Ohio Revised Code.

Section 3: That this resolution shall take immediate effect.

Attest:

\_\_\_\_\_  
Clerk of Council

\_\_\_\_\_  
President of Council

Passed:

Approved:

\_\_\_\_\_  
Mayor

Resolution No.

By: Mayor Holzheimer Gail

A resolution in support of Ohio Senate Bill 8, as introduced in the 133<sup>rd</sup> General Assembly, authorizing an income tax credit for certain investments in Ohio Opportunity Zones.

WHEREAS, Ohio Senate Bill 8 was introduced in the 133<sup>rd</sup> General Assembly of the State of Ohio on February 12, 2019; and

WHEREAS, Ohio Senate Bill 8 would create a state income tax credit for investments of at least \$250,000 in Ohio Opportunity Zones to supplement the federal tax benefits afforded under the federal Opportunity Zone program; and

WHEREAS, this bill is currently under review by the Ohio Ways and Means Committee; and

WHEREAS, five census tracts in the City of Euclid have been designated as federal Opportunity Zones; and

WHEREAS, the City of Euclid supports the passage of Ohio Senate Bill 8 as it will further encourage investment in the Euclid community.

NOW, THEREFORE, be it resolved by the Council of the City of Euclid, State of Ohio:

Section 1: That this Council and Administration do hereby support Ohio Senate Bill 8 as introduced in the 133<sup>rd</sup> General Assembly, authorizing an income tax credit for certain investments in Ohio Opportunity Zones.

Section 2: That the Clerk of this Council is hereby authorized and directed to certify a copy of this resolution to State Senators Kenny Yuko and Kirk Schuring and State Representative Kent Smith.

Section 3: That it is found and determined that all formal actions of this Council concerning and relating to the adoption of this resolution were adopted in an open meeting of this Council, and that all deliberations of this Council and any of its committees that resulted in such formal action were, in meetings open to the public in compliance with all legal requirements, including Section 121.22 of the Ohio Revised Code.

Section 4: That this resolution shall take immediate effect.

Attest:

\_\_\_\_\_  
Clerk of Council

\_\_\_\_\_  
President of Council

Passed:

Approved:

\_\_\_\_\_  
Mayor



www.lsc.ohio.gov

# OHIO LEGISLATIVE SERVICE COMMISSION

Office of Research  
and Drafting

Legislative Budget  
Office

S.B. 8  
133rd General Assembly

## Bill Analysis

**Version:** As Introduced

**Primary Sponsor:** Sen. Schuring

Mackenzie Damon, Attorney

CORRECTED VERSION\*

### Summary

- Authorizes a nonrefundable tax credit equal to 1% of a taxpayer's investment of at least \$250,000 in an Ohio Opportunity Zone fund.
- Authorizes an additional, nonrefundable credit equal to 2% of the taxpayer's investment if, after five years, the Ohio Opportunity Zone project funded by the investment generated more new state and local tax revenue than the amount of credits originally granted with respect to the project.
- Allows taxpayers to claim the credit against the income tax, financial institutions tax, or insurance premiums taxes, or transfer it to another person.

### Detailed Analysis

#### Opportunity zone investment credit

The bill authorizes nonrefundable income tax credits for taxpayers that invest in Ohio opportunity zones. The credits enhance existing federal and Ohio tax benefits for investments in such zones.

#### Opportunity zone background

Beginning in 2018, federal law allows states to designate economically distressed areas that meet certain criteria as "opportunity zones."<sup>1</sup> Once the zone is certified by the Secretary of the Treasury, certain investments made to benefit the zone are eligible for preferential federal tax treatment. Specifically, when a taxpayer reinvests capital gains (i.e., income from the sale of

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\*Corrects descriptions of the credit basis and carry forward.

<sup>1</sup> 26 United States Code (U.S.C.) 1400Z-1. The Opportunity Zone law was enacted in December of 2017 by the federal "Tax Cut and Jobs Act." A map of opportunity zones designated in Ohio is available at [https://development.ohio.gov/bs/bs\\_censustracts.htm](https://development.ohio.gov/bs/bs_censustracts.htm).

stock or other asset) in an "opportunity zone fund" – an investment fund that holds at least 90% of its assets in property, stock, or ownership interests that benefit opportunity zones – the tax on those capital gains is deferred until the investment is sold or exchanged from the fund.<sup>2</sup>

Moreover, if the investment is held in the opportunity zone fund for five years, the investment's basis is increased by 10% of such deferred gain (effectively a 10% decrease in tax on the original gain). If held for at least seven years, the basis is increased by 15%. If held for ten years, not only is the basis increased by 15%, but any capital gains accrued while the investment was held in the opportunity zone fund is exempt from tax.<sup>3</sup>

Because Ohio law uses federal adjusted gross income as a starting point for Ohio income tax liability, the federal deferral and reduction in capital gain taxes also defers or reduces a taxpayer's Ohio income tax. These federal and Ohio tax benefits are available regardless of where the zone is located.

### **Ohio income tax credit**

The bill adds to these existing incentives a new Ohio income tax credit for investments that entirely benefit Ohio-designated zones. To qualify for the credit, a taxpayer must invest in an opportunity zone fund that in turn invests 100% of its assets in opportunity zones in Ohio (referred to in the bill as an "Ohio qualified opportunity fund"). Unlike the federal tax incentives, the bill's credit is available even for investors that do not have capital gains to reinvest.

The credit is available in two tiers. First, for the year in which a taxpayer invests in one or more Ohio qualified opportunity funds, the taxpayer may receive a credit equal to 1% of the investment, as long as the taxpayer invested at least \$250,000 that year.<sup>4</sup> Then, if at least \$250,000 of the taxpayer's investment was dedicated exclusively to a project that, after five years, generated more new state and local tax revenue than the amount of all taxpayers' first-tier credits granted with respect to the project, the taxpayer may receive an additional credit equal to 2% of the taxpayer's investment dedicated to that project.<sup>5</sup>

The credits are available against the income tax, the financial institutions tax, or the insurance premiums taxes. The credits are nonrefundable, and any unused credit may be carried forward for up to five subsequent taxable years.<sup>6</sup>

### **Additional credit for investments in certain projects**

Five years after the completion of a project funded by an Ohio qualified opportunity fund, taxpayers whose investments were dedicated to that project may apply for the additional

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<sup>2</sup> 26 U.S.C. 1400Z-2. To qualify, the capital gains must be reinvested in the fund within 180 days after the gain is realized.

<sup>3</sup> 26 U.S.C. 1400Z-2.

<sup>4</sup> R.C. 122.84(B).

<sup>5</sup> R.C. 122.841(B).

<sup>6</sup> R.C. 5725.98, 5726.98, 5729.98, and 5747.98.



2% credit described above. First, the taxpayer must have a certified public accountant estimate the increase in state and local tax revenue that resulted from the project, which involves comparing the actual tax revenue attributable to economic activity in the project area over the five-year completion period with the amount of revenue that would have been received if the project had not been completed. The Development Services Agency (DSA) then reviews the estimate, and adjusts it as necessary. If the estimated increase in tax revenue is found to exceed the total amount of first-tier credits already awarded for investments in that particular project, then the DSA Director must authorize the additional credit for the investment.<sup>7</sup>

### **Qualifying Ohio opportunity zones**

The bill provides details for determining whether an opportunity zone fund's assets are invested in an Ohio-designated zone for the purposes of the credit. The credit's 100% Ohio-investment threshold is the average of a fund's opportunity zone holdings measured midway through the fund's taxable year and on the last day of the taxable year. In the case of assets in the form of tangible property, the property must be used exclusively in the zone during the fund's holding period of the property. In the case of assets in the form of stock or partnership interests in a business, all of the business' tangible property must be used exclusively in the Ohio zone during the fund's holding period of the stock or interest.<sup>8</sup> (These are stricter investment standards than those that federal law requires for an investment to qualify for the federal tax (and Ohio flow-through tax) benefits: federal law requires only 90% of a fund's investments to be in an opportunity zone, and requires "substantially all," instead of all, of a business' tangible property to be used in a zone during "substantially all" of the time the fund holds its investment in the property or business. Under the proposed Treasury regulations, "substantially all," when used in reference to the percentage of a business' tangible property it uses in an opportunity zone, may be as little as 70%.)

### **Application process**

The taxpayer must apply to the DSA Director for the first-tier credit by the February 1 following the taxpayer's taxable year when an investment is made. If the taxpayer is applying for the additional 2% credit, the application is due on February 1 of the year following the end of the qualifying project's five-year completion period.

In the application, the taxpayer must include (1) the total investment the taxpayer made in Ohio qualified opportunity funds and (2) a statement from an officer of each fund certifying the amount the taxpayer invested in that fund and describing each project funded by the investment. Applications for the additional 2% credit must also include (1) the completion date of the qualifying project and (2) a CPA certification of the estimated increase in tax revenue arising from the project.

If the taxpayer qualifies for the credit, the DSA Director will issue the taxpayer a credit certificate that lists the amount of the credit and the tax against which it may be used. The taxpayer must file a copy of the certificate with the taxpayer's return. If the taxpayer cannot

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<sup>7</sup> R.C. 122.841(A), (B), and (C).

<sup>8</sup> R.C. 122.84(A).

claim the full credit for a particular year, the Tax Commissioner or Director of Insurance, as applicable, must certify the remaining credit amount to the DSA Director, who will issue an updated certificate for the following year.<sup>9</sup>

### **Transfer of credits**

A credit certificate may be transferred once to another person. The transferee may claim the credit against a tax that is different than the tax for which the certificate was originally issued. However, the credit must be claimed within the original five-year carryforward period.<sup>10</sup>

### **Biennial forecast of foregone revenue**

Continuing law requires that every main biennial budget bill include detailed estimates of the state revenue that will be foregone due to "business incentive" tax credits in the current biennium and future biennia. The bill adds the new opportunity zone investment credits to the list of tax credits that are included in these estimates.<sup>11</sup>

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## **History**

Action	Date
Introduced	02-12-19

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S0008-I-CORRECTED-133/ec

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<sup>9</sup> R.C. 122.84(B), (C), and (D) and 122.841(B), (C), and (D).

<sup>10</sup> R.C. 122.84(E) and 122.841(E).

<sup>11</sup> R.C. 107.036.

Ordinance No.

By: Mayor Holzheimer Gail and Councilperson McIntosh

An ordinance authorizing the Mayor of the City of Euclid or her designee to execute a License Agreement with The Huntington National Bank for the installation, operation and maintenance of an automated teller machine in the Downtown Municipal Parking Lot (permanent parcel number 644-25-024).

WHEREAS, The Huntington National Bank seeks to install, operate and maintain an automated teller machine in the City of Euclid's Downtown Municipal Parking Lot (permanent parcel number 644-25-024); and

WHEREAS, the term of the license agreement will be five years, with the option of two three-year extensions; and

WHEREAS, the compensation payable to the City of Euclid will be \$1,100.00 per month during the first five years and will increase by \$50.00 per month upon each three-year extension.

NOW, THEREFORE, be it ordained by the Council of the City of Euclid, State of Ohio:

Section 1: That the Mayor of the City of Euclid or her designee is hereby authorized to execute a License Agreement with The Huntington National Bank for the installation, operation and maintenance of an automated teller machine in the Downtown Municipal Parking Lot (permanent parcel number 644-25-024).

Section 2: That the agreement shall be in a form approved by the Director of Law.

Section 3: That it is found and determined that all formal actions of this Council concerning and relating to the adoption of this ordinance were adopted in an open meeting of this Council, and that all deliberations of this Council and any of its committees that resulted in such formal action were, in meetings open to the public in compliance with all legal requirements, including Section 121.22 of the Ohio Revised Code.

Section 4: That this ordinance shall be in full force and effect from and after the earliest period allowed by law.

Attest:

\_\_\_\_\_  
Clerk of Council

\_\_\_\_\_  
President of Council

Passed:

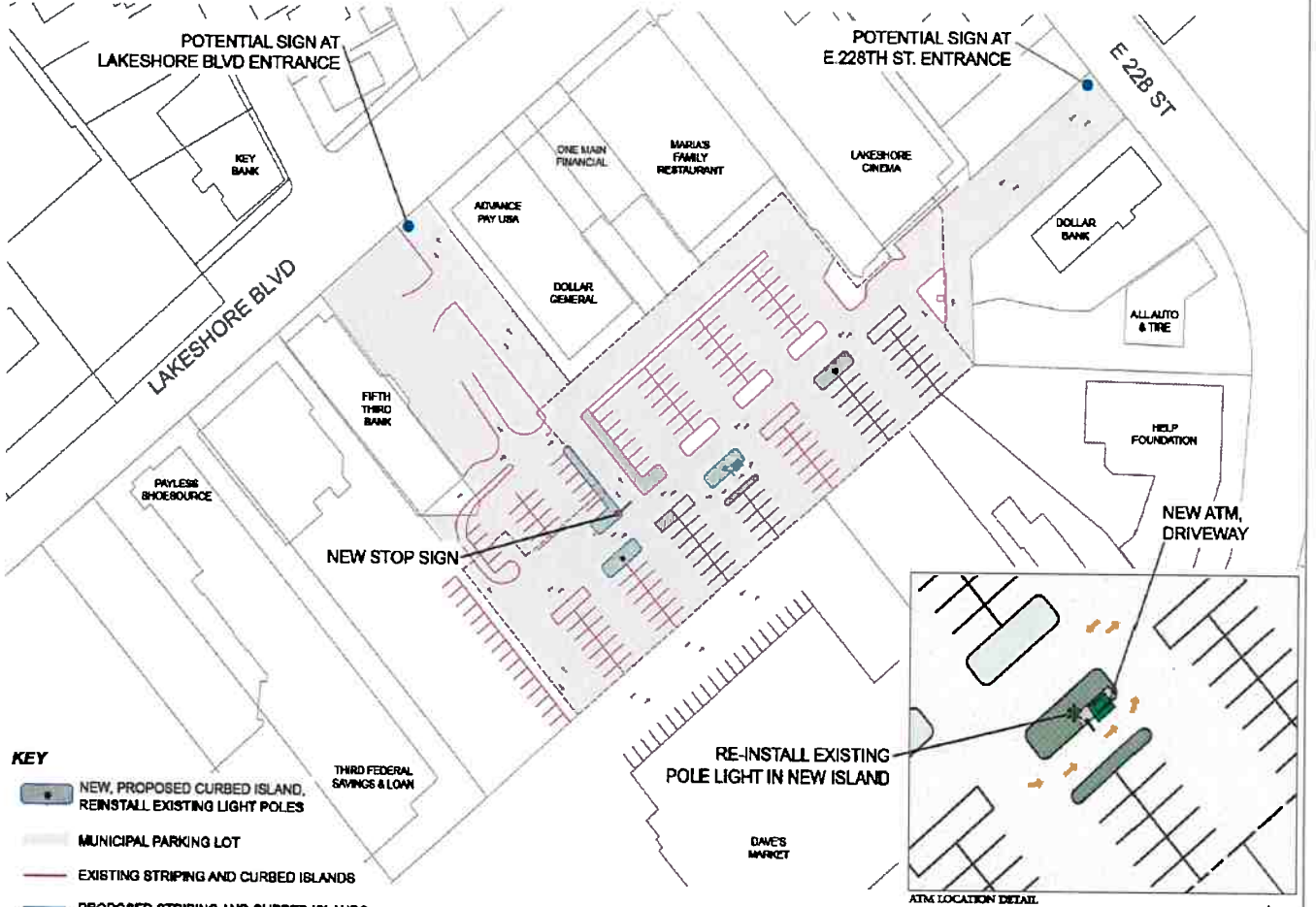
Approved:






\_\_\_\_\_  
Mayor

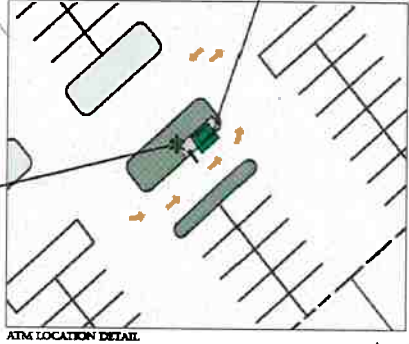


EXHIBIT A-2

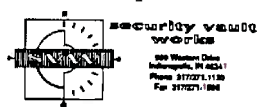
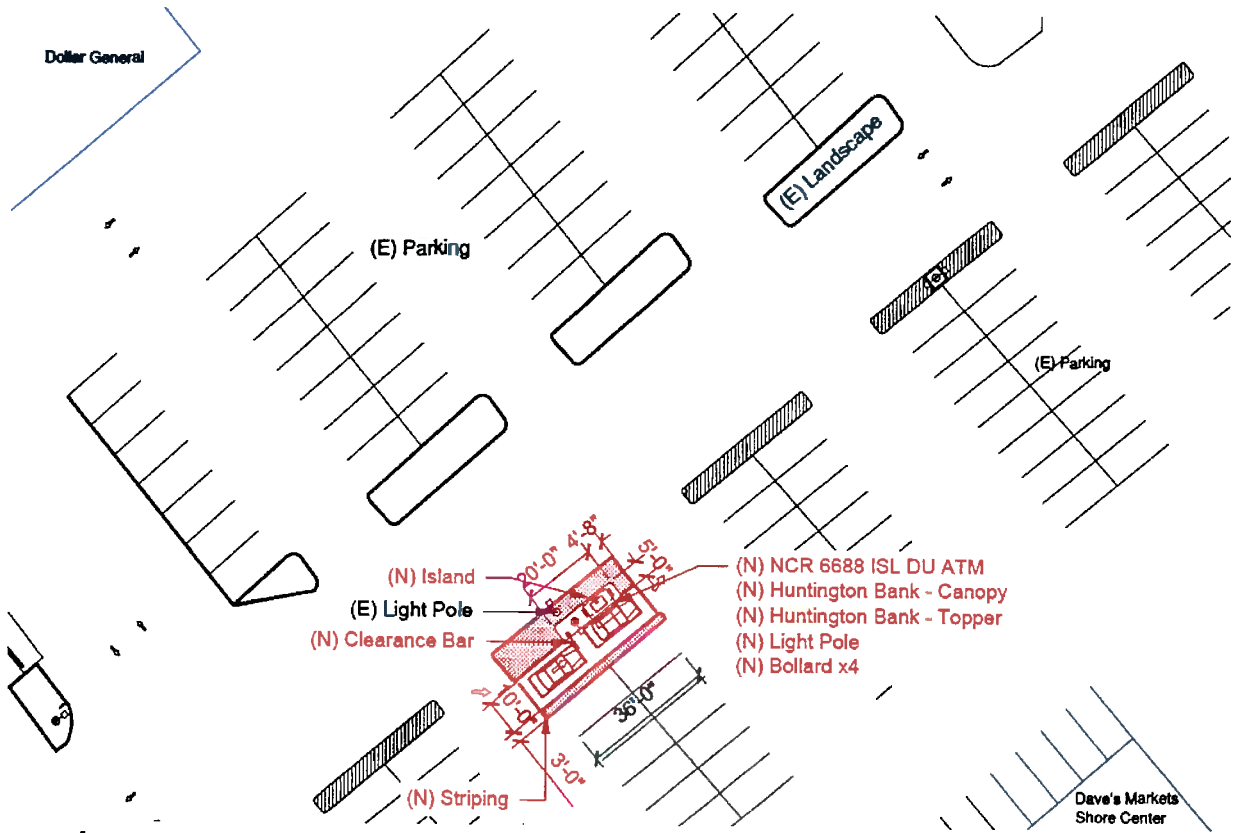
**PROPOSED ATM LOCATION**  
DOWNTOWN EUCLID - MUNICIPAL LOT



- KEY**
-  NEW, PROPOSED CURBED ISLAND, REINSTALL EXISTING LIGHT POLES
  -  MUNICIPAL PARKING LOT
  -  EXISTING STRIPING AND CURBED ISLANDS
  -  PROPOSED STRIPING AND CURBED ISLANDS
  -  (2) POTENTIAL SIGNAGE LOCATIONS

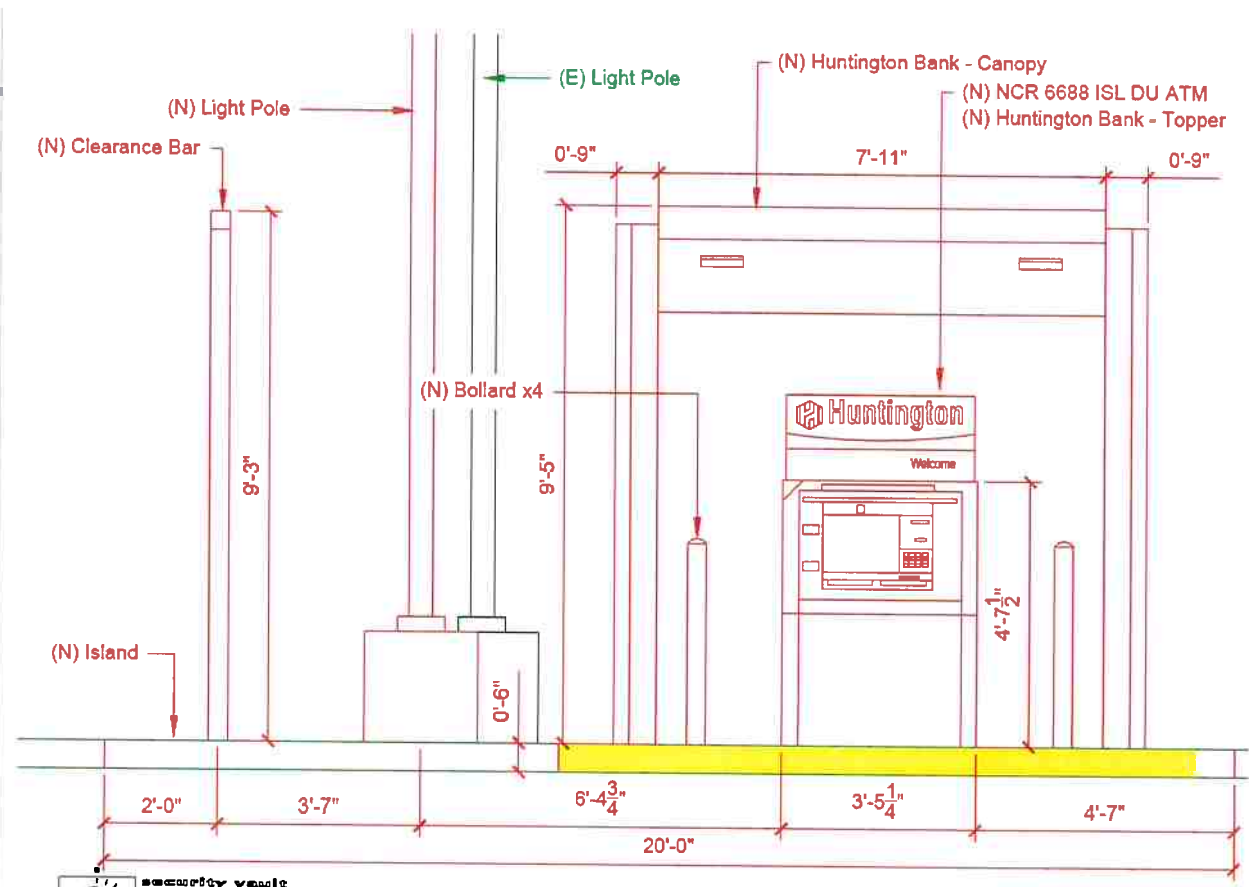


Prepared by the City of Euclid Department of Planning & Development  
OPTION C 2.4.2019



Huntington Bank-Euclid  
22510 Lakeshore Blvd.  
Euclid, OH 44123

Proposed Plan



Huntington Bank-Euclid  
22510 Lakeshore Blvd.  
Euclid, OH 44123

Proposed Elevation



Huntington Bank-Euclid  
22510 Lakeshore Blvd.  
Euclid, OH 44123

Rendering



Ordinance No.

By – Councilperson Hill

An ordinance enacting Section 331.45 "Use of Electronic Wireless Communication Devices" of Chapter 331 "Operation Generally" of the Traffic Code of the Codified Ordinances for the City of Euclid to prohibit the use of cellular telephones while driving in the City of Euclid.

WHEREAS, phone use while driving leads to 1.6 million crashes each year; and

WHEREAS, nearly 390,000 injuries occur each year from accidents caused by texting while driving; and

WHEREAS, 1 out of every 4 car accidents in the United States is caused by texting and driving; and

WHEREAS, several cities in North East Ohio, including South Euclid, Brook Park, Shaker Heights and Brooklyn, have passed legislation prohibiting the use of cell phones while driving.

NOW, THEREFORE, be it ordained by the Council of the City of Euclid, State of Ohio:

Section 1: That Section 331.45 "Use of Electronic Wireless Communication Devices" of Chapter 331 "Operation Generally" of the Traffic Code of the Codified Ordinances for the City of Euclid is hereby enacted to read as follows:

**331.45 USE OF ELECTRONIC WIRELESS COMMUNICATION DEVICES WHILE DRIVING.**

(a) No person shall drive a motor vehicle on any street, highway, or property open to the public for vehicular traffic while using a hand-held electronic wireless communications device in any manner, including holding the device in the hand or the lap, while composing, sending, or receiving text messages or using such a device to dial, answer, talk or listen, unless such use is otherwise authorized in subsection (b).

(b) Subsection (a) hereof does not apply to any of the following:

(1) A person using a hand-held electronic wireless communications device for emergency purposes, including an emergency contact with a law enforcement agency, hospital or health care provider, fire department, or other similar emergency agency or entity;

(2) A person employed by a government agency driving a public safety or public service vehicle who uses a hand-held electronic wireless communications device in the course of the person's duties;

(3) A person using a hand-held electronic wireless communications device whose motor vehicle is in a stationary position and who is outside a lane of travel, when a vehicle is legally parked, or when a vehicle is stopped due to the inoperability of such vehicle;

(4) A person operating a commercial truck while using a mobile data terminal that transmits and receives data;

(5) A person using a voice-operated or hands-free device that allows the driver to maintain both hands on the vehicle's steering device while operating the vehicle, and allows the user to vocally compose or send, or listen to a communication without the use of either hand, except to activate or deactivate a feature or function.

(c) Whoever violates subsection (a) hereof is guilty of a first degree misdemeanor, and shall be assessed points pursuant to Ohio R.C. 4510.036 (C)(15).

(d) As used in this section:

(1) "Electronic wireless communications device" means a portable electronic device capable of transmitting and/or receiving data and includes any of the following:

A. A wireless telephone;

B. A text-messaging device;

C. A personal digital assistant;

D. A computer, including a laptop computer and a computer tablet;

E. Any other substantially similar wireless device that is designed or used to communicate text.

(2) "Text message" means a message sent or received by a process using wireless handsets. For the purpose of this section, an e-mail shall be considered a "text message."

Section 2: That Section 331.45 "Use of Electronic Wireless Communication Devices" of Chapter 331 "Operation Generally" of the Traffic Code of the Codified Ordinances for the City of Euclid is hereby enacted.

Section 3: That it is found and determined that all formal actions of this Council concerning and relating to the adoption of this ordinance were adopted in an open meeting of this Council, and that all deliberations of this Council and any of its committees that resulted in such formal action, were in meetings open to the public, in compliance with all legal requirements, including Section 121.22 of the Ohio Revised Code.

Section 4: That this ordinance shall be in full force and effect from and after the earliest period allowed by law.

Attest:

\_\_\_\_\_  
Clerk of Council

\_\_\_\_\_  
President of Council

Passed:

Effective:

\_\_\_\_\_  
Mayor