



ECONOMIC DEVELOPMENT • 1140 Terex Road • Hudson, Ohio 44236 • (330) 342-1893

MEMORANDUM

Date: April 18, 2025
To: Hudson City Council
From: Katie Behnke, Economic Development Manager
CC: Thom Sheridan, City Manager
Brian Griffith, Assistant City Manager
Greg Hannan, Community Development Director
Re: Second Amendment to the CEIA Community Reinvestment Area Agreement

Background

In 2018, Manneschi & Benedetti, LLC and CEIA USA, Ltd. were awarded a Community Reinvestment Area 50% property tax abatement for fifteen (15) years for the construction of a new headquarters facility at 6336 Hudson Crossing Parkway, Hudson, Ohio 44236. In conjunction, the City and the Hudson City School District entered into a Tax Sharing Agreement for the property whereby the City of Hudson and the School District share equally all new revenue generated by the project for incentive agreement years two through fifteen. New revenue is defined as: (1) the taxes levied and collected by Hudson on the income of employees of CEIA at the Project; (2) the property taxes generated from the Project that are payable to the School District that are not subject to the Tax Abatement; and (3) the property taxes generated from the Project that are payable to Hudson that are not subject to the Tax Abatement.

After executing the agreement, Major Site Plans were submitted for permitting in June 2019 per Case No. 2019-550. The initial site plans, as approved by Planning Commission on July 8, 2019, included a three-phase building approach for the headquarters. Construction on Phase One (88,000 sf plus site prep for all phases) commenced shortly after permit approval; however, construction delays related to the COVID-19 pandemic necessitated a First Amendment to the Community Reinvestment Area Agreement to adjust the term to account for the delayed occupancy date. This amendment was approved by Hudson City Council on October 5, 2021, and the Hudson Board of Education on October 25, 2021.

Issue

Presently, the company desires to proceed with the previously anticipated Phase Two and Phase Three of building expansion (180,000 sf) under the same property tax abatement structure as Phase One which would require an amendment to the Community Reinvestment Area agreement to capture the newly created property tax value within the abatement parcel.

As the initial building plans outlined this multi-phase approach, Staff is aligned that the spirit of the initial property tax abatement negotiations were meant to encompass the full site plan and as such, have drafted the proposed amendment for consideration. For clarity, the proposed amendment would allow the building expansion to be captured under the remaining duration of the existing agreement, likely ten years depending on the speed of construction. This amendment does not recommend extending the abatement on the expansion to the full fifteen years allowed

by Ohio Revised Code or adjust the abatement percentage in any way. Additionally, the City of Hudson and Hudson Board of Education would continue to share revenue generated on the property, including the expansion, as originally agreed in 2018.

The Hudson Board of Education has been notified of the proposed amendment and is expected to review the matter at the April 28, 2025 Board Meeting.

Recommendation

Staff recommends that City Council approve this Resolution, allowing the City Manager to execute the second amendment to the Community Reinvestment Area Agreement with Manneschi & Benedetti, LLC and CEIA, USA, Ltd.