

EXHIBIT A
20-035

SUMMIT COUNTY ENTERPRISE ZONE AGREEMENT

This Agreement made and entered into by and between the City of Cuyahoga Falls, Summit County, Ohio, a municipal government, with its main offices located at 2310 Second Street, Cuyahoga Falls, Ohio 44221 (hereinafter referred to as "The City of Cuyahoga Falls"), the County of Summit, Ohio, 175 S. Main Street, Akron, Ohio 44308 (hereinafter referred to as the "County") and Kyocera SGS Precision Tools, Inc., an Ohio Corporation with its main offices located at 150 Marc Drive, Cuyahoga Falls, Ohio 44221 (hereinafter referred to as the Kyocera SGS Tool Company).

WITNESSETH:

WHEREAS, the City of Cuyahoga Falls and the County have encouraged the development of real property and the acquisition of personal property located in the area designated as an Enterprise Zone; and

WHEREAS, the Kyocera SGS Tool Company is desirous of investing approximately \$22,402,932.62 in Real Estate and Land Improvements in order to consolidate their manufacturing, coating, distribution and administrative functions all to the Marc Drive campus and with the specific purpose of meeting the increased needs of their clients and remaining competitive. This will allow Kyocera SGS Tool Company to preserve its current one hundred twenty-five (125) employees [122 f/t and 3 p/t] affiliated with the End Mill Division within the City of Cuyahoga Falls, (hereinafter referred to as the "PROJECT") within the boundaries of the aforementioned Enterprise Zone, provided that the appropriate development incentives are available to support the economic viability of said PROJECT; and

WHEREAS, the Council of the City of Cuyahoga Falls, Ohio by Ordinance No. 26-1996 adopted February 14, 1996 and the County by Resolution No. 95-598 adopted October 30, 1995, and Resolution No. 96-132 adopted March 4, 1996, designated the area as an "Enterprise Zone" pursuant to Chapter 5709 of the Ohio Revised Code; and

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WHEREAS, effective April 8, 1988, the Director of Development of the State of Ohio, nka Ohio Development Services Agency, determined that the aforementioned area designated in said Resolution No. 95-598 adopted October 30, 1995, and Resolution No. 96-132 adopted March 4, 1996, contains the characteristics set forth in Section 5709.61(A) of the Ohio Revised Code and certified said area as an Enterprise Zone under said Chapter 5709; and

WHEREAS, the City of Cuyahoga Falls and County having the appropriate authority for the stated type of project is desirous of providing Kyocera SGS Tool Company with incentives available for the development of the PROJECT in said Enterprise Zone under Chapter 5709 of the Ohio Revised Code; and

WHEREAS, the Kyocera SGS Tool Company has submitted a proposed Agreement Application (herein attached as Exhibit "A") to the City of Cuyahoga Falls; said Application hereinafter referred to as "APPLICATION"); and

WHEREAS, the Kyocera SGS Tool Company has remitted the required state application fee of \$750.00 made payable to the Ohio Development Services Agency with the APPLICATION to be forwarded with the final Agreement; and

WHEREAS, the authorized representative of the City of Cuyahoga Falls and County has investigated the APPLICATION of the Kyocera SGS Tool Company and has recommended the same to the Councils of City of Cuyahoga Falls and County on the basis that the Kyocera SGS Tool Company is qualified by financial responsibility and business experience to preserve employment opportunities in said Enterprise Zone and improve the economic climate of the City of Cuyahoga Falls, Ohio and Summit County; and

WHEREAS, the project site as proposed by Kyocera SGS Tool Company is located in the Woodridge Local School District and the Board of Education of the Woodridge Local School District has been notified in accordance with Section 5709.83 and been given a copy of the APPLICATION; and

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WHEREAS, pursuant to Section 5709.62(C), 5709.63(A) or 5709.632 and in conformance with the format required under Section 5709.631 of the Ohio Revised Code, the parties hereto desire to set forth their Agreement with respect to matters hereinafter contained; **NOW**,

THEREFORE, in consideration of the mutual covenants hereinafter contained and the benefit to be derived by the parties from the execution hereof, the parties herein agree as follows:

1. Kyocera SGS Tool Company shall consolidate all of its manufacturing operations onto one campus in Cuyahoga Falls, Ohio. Eighty-four (84) employees [78 f/t and 6 p/t] will be relocated from the Munroe Falls location to the Marc Drive campus. See attached **Exhibit 'A'** for employee levels by parcel. This project will also allow Kyocera SGS Tool Company to retain its current One Hundred Twenty-Five (125) employees. Kyocera SGS Tool Company currently has over \$11,332,911.62 in machinery and equipment at the Munroe Falls location, which will be relocated to the Marc Drive campus, along with \$8,100,000.00 in inventory, as follows:

220 Marc Drive [Parcel 35-00311]	Machinery/Equip	\$ 9,419,058.47
238 Marc Drive [Parcel 35-04028]	Machinery/Equip	\$ 1,913,853.15
	Sub-Total:	<u>\$11,332,911.62</u>
238 Marc Drive [Parcel 35-04028]	Inventory	<u>\$ 8,100,000.00</u>
	Total:	<u>\$19,432,911.62</u>

2. Additionally, Kyocera SGS Tool Company will invest \$2,970,021.00 in Real Estate and Land Improvements to its Marc Drive campus as follows:

220 Marc Drive [Parcel 35-00311]	Remodel	\$2,710,815.00
238 Marc Drive [Parcel 35-04028]	Remodel	<u>\$ 259,206.00</u>
	Total:	<u>\$2,970,021.00</u>

An estimate of the amount to be invested by Kyocera SGS Tool Company to consolidate all of its manufacturing, coating, distribution and administrative functions at the Marc Drive campus will be:

	Minimum	Maximum
A. Acquisition of Buildings:		\$.00
B. New Construction/REMODEL:		\$ 2,970,021.00
C. Machinery and Equipment: RELOCATION		\$11,332,911.62

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D. Inventory: RELOCATION	<u>\$ 8,100,000.00</u>
Total New Project Investment:	<u>\$22,402,932.62</u>

The PROJECT will begin December 1, 2019, and all acquisition, construction and installation will be completed by June 1, 2020.

Kyocera SGS Tool Company shall use its best efforts to retain One Hundred Twenty-Five (125) existing full-time equivalent jobs at the new Marc Drive campus, and will relocate Eighty-Four (84) jobs from its Munroe Falls location to the new Marc Drive campus as well, all as reported on Exhibit 'A'. Also see Exhibit 'A' for all State of Ohio employees.

The retention of the existing jobs will maintain the current annual payroll of **\$1,863,896.84** (One Million Eight Hundred Sixty-Three Thousand Eight Hundred Ninety-Six and 84/100 Dollars). The relocated jobs will result in new additional payroll of **\$5,684,577.31** (Five Million Six Hundred Eighty-Four Thousand Five Hundred Seventy-Seven and 31/100 Dollars). The new total annual payroll at the Marc Drive campus will be **\$7,548,474.15** (Seven Million Five Hundred Forty-Eight Thousand Four Hundred Seventy-Four and 15/100 Dollars).

3. Kyocera SGS Tool Company shall provide to the proper Tax Incentive Review Council any information reasonably required by the council to evaluate the enterprise's compliance with the Agreement, including returns (and W-3 Transmittal Forms) filed pursuant to section 5711.02 of the Ohio Revised Code if requested by the council.

4. The Kyocera SGS Tool Company will use the County of Summit's Workforce Development Program as a source of recruitment, referral and placement of employees. In order for the Workforce Development Program to provide the Kyocera SGS Tool Company with potential employees, the Kyocera SGS Tool Company will notify the Workforce Development Program of job openings along with descriptions. Notification shall also include the number of employees needed by job title, rates of pay, hours of work, anticipated duration of employment and work to be performed. The Kyocera SGS Tool Company shall also notify the Workforce Development Program throughout the term of this Agreement of the dates by which the Workforce Development Program must refer qualified applicants to the Kyocera SGS Tool Company. The Kyocera SGS Tool Company shall not be bound to hire from these referrals. The Kyocera SGS Tool Company shall make every attempt to give preference to residents of Cuyahoga Falls, Ohio.

5. The City of Cuyahoga Falls and County of Summit hereby grant Kyocera SGS Tool Company a tax exemption for real property improvements made to the PROJECT site pursuant to Section 5709.62, 5709.63 or 5709.632 of the Ohio Revised Code and shall be in the following amounts:

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The percentage of the assessed value to be exempted is for 10 years at 75%. The exemption commences the first year for which the real property would first be taxable were that the property not exempted from taxation. The Kyocera SGS Tool Company must file the appropriate tax forms with the County Auditor and with the State Department of Taxation to effect and maintain the exemption covered in the Agreement.

6. The Kyocera SGS Tool Company shall pay an annual fee equal to the greater of one percent of the dollar value of incentives offered under the Agreement or Five Hundred Dollars (\$500.00); provided, however, that if the value of the incentives exceeds Two Hundred Fifty Thousand Dollars (\$250,000.00), the fee shall not exceed Two Thousand Five Hundred Dollars (\$2,500.00).

The fee shall be made payable to the County of Summit once per year for each year the Agreement is in effect and in the form of a certified check. The fee is to be paid to the Summit County Fiscal Officer and made out to the County of Summit. This fee shall be deposited in a special fund created for such purpose and shall be used exclusively for the purpose of complying with section 5709.68 of the revised code and by the tax incentive review council created under section 5709.85 of the Revised Code exclusively for the purposes of performing the duties prescribed under that section.

7. The Kyocera SGS Tool Company shall, in accordance with ORC 5709.62(K), create one or more temporary paid internship positions for students enrolled in a course of study in the Woodridge Local School District in exchange for the student's commitment to work for the enterprise at the completion of the internship. In addition, the Kyocera SGS Tool Company shall create a scholarship of \$1,000.00 annually during the term of the abatement (10 years). The annual scholarship shall be made payable to the Woodridge Foundation and awarded to a student selected by the Foundation Board as part of its regular program of annual scholarships. The qualifications/criteria shall be defined by Kyocera SGS Tool Company in consultation with the Foundation Board and/or School Superintendent.

8. The Kyocera SGS Tool Company shall pay such real and tangible personal property taxes as are not exempted under this Agreement and are charged against such property and shall file all tax reports and returns as required by law. If the Kyocera SGS Tool Company fails to pay such taxes or file such returns and reports, all incentives granted under this Agreement are rescinded beginning with the year for which such taxes are charged or such reports or returns are required to be filed and thereafter.

9. The City of Cuyahoga Falls and the County of Summit shall perform such acts as are reasonably necessary or appropriate to effect, claim, reserve, and maintain exemptions from taxation granted under this Agreement including, without limitation, joining in the execution of all documentation and providing any

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necessary certificates required in connection with such exemptions.

10. If for any reason the Enterprise Zone designation expires, the Director of the Ohio Development Services Agency revokes certification of the zone, or the City of Cuyahoga Falls and/or the County of Summit revokes the designation of the zone, entitlements granted under this Agreement shall continue for the number of years specified under this Agreement, unless the Kyocera SGS Tool Company materially fails to fulfill its obligations under this Agreement and the City of Cuyahoga Falls and/or the County of Summit terminates or modifies the exemptions from taxation granted under this Agreement.

11. If the Kyocera SGS Tool Company materially fails to fulfill its obligations under this Agreement, or if the City of Cuyahoga Falls and/or the County of Summit determines that the certification as to delinquent taxes required by this Agreement is fraudulent, the City of Cuyahoga Falls and/or the County of Summit may terminate or modify the exemptions from taxation granted under this Agreement and will require upon demand the repayment of the amount of taxes for real estate property that would have been owed if the property had not been exempted from taxation under this Agreement (the "abated taxes"). The City of Cuyahoga Falls and/or the County of Summit reserves the right to pursue all remedies either criminal or civil as a result of fraud.

A "material failure" includes but is not limited to the Kyocera SGS Tool Company's failure to meet any of the requirements set forth in Paragraph 1, Paragraph 2 and/or Paragraph 3 herein during any one year.

Any waiver of a material failure or any modification of this Agreement made by the City of Cuyahoga Falls and/or the County of Summit will not be a waiver of the right to require and demand that the Kyocera SGS Tool Company will repay the Abated Taxes.

12. The Kyocera SGS Tool Company hereby certifies that at the time this Agreement is executed, the SGS Tool Company does not owe any delinquent real or tangible personal property taxes to any taxing authority of the State of Ohio, and does not owe delinquent taxes for which the Kyocera SGS Tool Company is liable under Chapter 5733, 5735, 5739, 5741, 5743, 5747 or 5753 of the Revised Code, or, if such delinquent taxes are owed, the SGS Tool Company currently is paying the delinquent taxes pursuant to an undertaking enforceable by the State of Ohio or an agent or instrumentality thereof, has filed a petition in bankruptcy under 11 U.S.C.A. 101, et seq., or such a petition has been filed against the SGS Tool Company. For the purposes of the certification, delinquent taxes are taxes that remain unpaid on the latest day prescribed for payment without penalty under the chapter of the Revised Code governing payment of those taxes.

13. The Kyocera SGS Tool Company affirmatively covenants that it does not owe: (1) any delinquent taxes to the State of Ohio or a political subdivision of the State; (2) any moneys to the State or a state agency for the administration or

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enforcement of any environmental laws of the State; and (3) any other moneys to the State, a state agency or a political subdivision of the State that are past due, whether the amounts owed are being contested in a court of law or not.

14. The Kyocera SGS Tool Company and the City of Cuyahoga Falls and the County of Summit acknowledge that this Agreement must be approved by formal action of the legislative authority of the City of Cuyahoga Falls and the County of Summit as a condition for the Agreement to take effect. This Agreement takes effect upon such approval.

15. The City of Cuyahoga Falls and the County of Summit have developed a policy to ensure recipients of Enterprise Zone tax benefits practice non-discriminating hiring in its operations. By executing this Agreement, the Kyocera SGS Tool Company is committing to following non-discriminating hiring practices acknowledging that no individual may be denied employment solely on the basis of race, religion, sex, disability, color, national origin, ancestry, gender identity as defined in Section 101.02(f) of the Codified Ordinances of the County of Summit or sexual orientation as defined in Section 101.02(r) of the Codified Ordinances of the County of Summit.

16. Exemptions from taxation granted under this Agreement shall be revoked if it is determined that the Kyocera SGS Tool Company, any successor enterprise, or any related member (as those terms are defined in Section 5709.61 of the Ohio Revised Code) has violated the prohibition against entering into this Agreement under Division (E) of Section 3735.671 or Section 5709.62, 5709.63, or 5709.632 of the Ohio Revised Code prior to the time prescribed by that division or either of those sections.

17. The Kyocera SGS Tool Company affirmatively covenants that it has made no false statements to the State or local political subdivision in the process of obtaining approval for the Enterprise Zone incentives. If any representative of the Kyocera SGS Tool Company has knowingly made a false statement to the State or local political subdivision to obtain the Enterprise Zone incentives, the Kyocera SGS Tool Company shall be required to immediately return all benefits received under the Enterprise Zone Agreement pursuant to ORC Section 9.66 (C)(2) and shall be ineligible for any future economic development assistance from the State, any state agency or a political subdivision pursuant to ORC Section 9.66(C)(1). Any person who provides a false statement to secure economic development assistance may be guilty of falsification, a misdemeanor of the first degree, pursuant to ORC 2921.13(D)(1), which is punishable by a fine of not more than \$1,000 and/or a term of imprisonment of not more than six months.

18. This Agreement is not transferrable or assignable without the express, written approval of the City of Cuyahoga Falls and the County of Summit.

19. Notices: Any notices, statements, acknowledgements, consents, approvals, certificate and/or requests desired to be given on behalf of the Kyocera SGS Tool

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Company, the City of Cuyahoga Falls and/or the County of Summit shall be either personally delivered or mailed by certified or registered mail, return receipt requested, addressed as follows:

If to Summit County: Connie Krauss
Director of Community & Economic
Development
County of Summit
175 S. Main Street
Akron, OH 44308

If to the City of Cuyahoga Falls: Diana Colavecchio
Director of Development
Department of Community Development
2310 Second Street
Cuyahoga Falls, OH 44221

If to the Kyocera SGS
Tool Company: Jeff Zaucha, CFO
150 Marc Drive
Cuyahoga Falls, OH 44223

IN WITNESS WHEREOF, the parties have caused this instrument to be executed and effective as of the date signed by the County Executive.

THE CITY OF CUYHOGA FALLS

By: _____
Don S. Walters, Mayor Date

Approved as to form:

By: _____
Russell W. Balthis, Director of Law Date

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COUNTY OF SUMMIT

By: _____
Ilene Shapiro, County Executive Date

Approved as to form:

By: _____
Deborah S. Matz, Esq. Date

KYOCERA SGS PRECISION TOOLS, INC.

By: _____
Thomas J. Haag, President & CEO Date

NOTE: *A copy of this Agreement must be forwarded to the Ohio Departments of Taxation and Ohio Development Services Agency within fifteen (15) days of approval to be finalized.*