

20-330

SUMMIT COUNTY ENTERPRISE ZONE AGREEMENT

This Agreement made and entered into by and between Twinsburg Township, 1790 Enterprise Pkwy, Twinsburg, Ohio 44087 (hereinafter referred to as "Twinsburg Township"), the County of Summit, 175 S. Main Street, Akron, Ohio 44308 (hereinafter referred to as the "County"), Fabricating Solutions, Inc., an Ohio Corporation with its main facility located at 7920 Bavaria Rd, Twinsburg, OH 44087 (hereinafter referred to as the "Company") and, 7920 Bavaria Property, LLC, an Ohio Limited Liability Company, with its principal place of business located at 7920 Bavaria Rd, Twinsburg, OH 44087 ("Bavaria").

WITNESSETH:

WHEREAS, Twinsburg Township 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 Company is desirous of investing approximately \$1,100,000 in Real Estate and Land Improvements in order to expand its current facility, which is owned by Bavaria, by 10,563 square feet; and

WHEREAS, Twinsburg Township, by Resolution adopted February 8, 1988 and the County, by Ordinance No. 88-185, adopted April 4, 1988, designated the area as an "Enterprise Zone" pursuant to Chapter 5709 of the Ohio Revised Code; and

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 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, Twinsburg Township and County having the appropriate authority for the stated type of project is desirous of providing Company with incentives available for the

EXHIBIT A

development of the PROJECT in said Enterprise Zone under Chapter 5709 of the Ohio Revised Code; and

WHEREAS, the Company has submitted a proposed Agreement Application (herein attached as Exhibit "A") to Twinsburg Township; said Application hereinafter referred to as "APPLICATION"); and

WHEREAS, the 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 Twinsburg Township and County has investigated the APPLICATION of the Company and has recommended the same to the Trustees of Twinsburg Township and Summit County Council on the basis that the Company is qualified by financial responsibility and business experience to preserve employment opportunities in said Enterprise Zone and improve the economic climate of Twinsburg Township, Ohio and Summit County; and

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

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:

EXHIBIT A

1. Company shall create 2 full-time and 3 temporary positions at the Company. See attached **Exhibit 'A'** for employee levels by parcel. This project will also allow Company to retain its current twelve (12) full-time employees, three (3) part-time employees, and three (3) temporary employees.
2. Additionally, Company will invest \$1,100,000, in Real Estate and Land Improvements to expand its facility by 10,563 square feet.

An estimate of the total amount to be invested by Company will be:

	<u>Minimum</u>	<u>Maximum</u>
A. Acquisition of Buildings:	\$	0.00
B. New Construction/REMODEL:	\$	1,100,000.00
C. Furniture and Fixtures	\$	<u>150,000.00</u>
Total New Project Investment:		<u>\$ 1,250,000.00</u>

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

Company shall use its best efforts to retain twelve (12) existing full-time equivalent jobs. The retention of the existing jobs will maintain the current annual payroll of **\$612,323.36** (Six Hundred Twelve Thousand Three Hundred Twenty-three and 36/100 Dollars). The new jobs will result in new additional payroll of **\$120,000.00** (One Hundred Twenty Thousand and 0/100 Dollars). The new total annual payroll of the Company will be **\$732,323.36** (Seven Hundred Thirty-two Thousand Three Hundred Twenty-Three and 36/100 Dollars).

3. 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 Company will use the Summit County *OhioMeansJobs* Center as a source of recruitment, referral and placement of employees. In order for the Summit County *OhioMeansJobs* Center to provide the Company with potential employees, the Company will notify the County 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 Company shall also notify the County throughout the term of this Agreement of the dates by which the Summit County *OhioMeansJobs* Center must refer qualified applicants to the Company. The Company shall not be bound to hire from these referrals. The Company shall make every attempt to give preference to residents of Twinsburg Township, Ohio.

EXHIBIT A

5. Twinsburg Township and County of Summit hereby grant Company and Bavaria 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:

The percentage of the assessed value to be exempted is for 10 years at 55%. The exemption commences the first year for which the real property would first be taxable were that the property not exempted from taxation. The Company and Bavaria must file the appropriate tax forms with the County Fiscal Officer and with the State Department of Taxation to effect and maintain the exemption covered in the Agreement.

6. The 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 Company and Bavaria 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 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.

8. Twinsburg Township 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 necessary certificates required in connection with such exemptions.

9. If for any reason the Enterprise Zone designation expires, the Director of the Ohio Development Services Agency revokes certification of the zone, or Twinsburg Township 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 Company or Bavaria materially fails to fulfill its obligations under this Agreement and Twinsburg Township and/or

EXHIBIT A

the County of Summit terminates or modifies the exemptions from taxation granted under this Agreement.

10. If the Company or Bavaria materially fails to fulfill its obligations under this Agreement, or if Twinsburg Township and/or the County of Summit determines that the certification as to delinquent taxes required by this Agreement is fraudulent, Twinsburg Township 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"). Twinsburg Township 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 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 Twinsburg Township and/or the County of Summit will not be a waiver of the right to require and demand that the Company will repay the Abated Taxes.

11. The Company and Bavaria hereby certify that at the time this Agreement is executed, neither the Company nor Bavaria 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 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 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 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.

12. The Company and Bavaria affirmatively covenants that neither owes: (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 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.

13. The Company, Bavaria, Twinsburg Township and the County of Summit acknowledge that this Agreement must be approved by formal action of the legislative authority of Twinsburg Township and the County of Summit as a condition for the Agreement to take effect. This Agreement takes effect upon such approval.

EXHIBIT A

14. Twinsburg Township 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 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.

15. Exemptions from taxation granted under this Agreement shall be revoked if it is determined that the 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.

16. The Company and Bavaria affirmatively covenant 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 Company has knowingly made a false statement to the State or local political subdivision to obtain the Enterprise Zone incentives, the 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.

17. This Agreement is not transferrable or assignable without the express, written approval of Twinsburg Township and the County of Summit.

18. Notices: Any notices, statements, acknowledgements, consents, approvals, certificate and/or requests desired to be given on behalf of the Company, Twinsburg Township 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

EXHIBIT A

If to Twinsburg Township: Rob Kagler
Township Manager
1790 Enterprise Parkway
Twinsburg, OH 44087

If to Fabricating Solutions, Inc.: Dewey Lockwood
and/or 7920 Bavaria Property, [Title]
LLC 7920 Bavaria Road
Twinsburg, OH 44087

(End of text. Execution on following page.)

EXHIBIT A

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

TWINSBURG TOWNSHIP, OHIO

By: _____
[Name], [Title] Date

Approved as to form:

By: _____
[Name], [Title] Date

COUNTY OF SUMMIT, OHIO

By: _____
Ilene Shapiro, County Executive Date

Approved as to form:

By: _____
Deborah S. Matz, Esq. Date

FABRICATING SOLUTIONS, INC.

By: _____
Dewey Lockwood, [Title] Date

7920 BAVARIA PROPERTY, LLC

By: _____
Dewey Lockwood, [Title] 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.

EXHIBIT A