

**RESOLUTION NO.:** 2014-R37  
**SPONSOR:** MAYOR NORTON  
**INTRODUCED:** JULY 8, 2014

**ASSIGNED TO:** PLANNING

**A RESOLUTION AUTHORIZING A MUNICIPAL ECONOMIC DEVELOPMENT GRANT AGREEMENT WITH STOLLE MACHINERY COMPANY, LLC, AND DECLARING AN EMERGENCY.**

WHEREAS, Stolle Machinery Company, LLC ("Stolle") currently occupies a facility at 934 Marion Avenue SW, Canton, Ohio 44707 and proposes to relocate its operation to CAK International Business Park, Green, Ohio 44685; and

WHEREAS, Stolle plans to create one hundred twenty seven (127) permanent full-time employees, with an approximate annual payroll of \$7,000,00.00; and

WHEREAS, the City of Green has encouraged the development of vacant industrial and office real property where occupancy results in new jobs within the City and/or preserve jobs in the City; and

WHEREAS, the Project will create employment opportunities and improve the economic welfare of the people of the City of Green; and

WHEREAS, to facilitate the expansion of Stolle's facility, the City of Green agrees to make annual Municipal Economic Development Grant payments to the Company from sources identified in the Municipal Economic Development Grant Agreement ("Grant Agreement") between the City and Stolle; and

WHEREAS, the Mayor of the City of Green has investigated Stolle's request and recommends that City Council authorize the execution of the Municipal Economic Development Grant Agreement because Stolle is qualified by its financial responsibility and business experience to preserve employment opportunities and to improve the economic climate of the City of Green.

**NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF GREEN, COUNTY OF SUMMIT, STATE OF OHIO, THAT:**

**SECTION ONE:**

City Council finds and determines that the Project is consistent with the purposes of Section 13 of Article VIII of the Ohio Constitution to create or preserve jobs and employment opportunities and to improve the economic welfare of the people of the State of Ohio.

**SECTION TWO:**

City Council agrees that the City may make grant payments to Stolle pursuant to the Grant Agreement attached as Exhibit "A" to assist the company in financing the Project and in furtherance of the purposes in Section 13 of Article VIII of the Ohio Constitution. City Council authorizes the Mayor to execute the Grant Agreement to provide a municipal economic development grant associated with creating one hundred twenty seven (127) permanent full-time employees with an approximate annual payroll of \$7,000,000.00 for a period of five (5) Tax Years.

**SECTION THREE:**

The City of Green finds and determines that all formal actions of this Council concerning and relating to the adoption of this Resolution were taken in an open meeting of this Council and any deliberations of this Council and any of its committees that resulted in those formal action were in meetings open to the public, in compliance with all legal requirements.

**SECTION FOUR:**

Council declares this to be an emergency immediately necessary for the preservation of the public peace, health, safety, and welfare of the citizens of Green. Provided that this legislation receives the affirmative vote of three-fourths of the members elected or appointed to Council, it shall take effect and be in force immediately upon its passage and approval by the Mayor, otherwise, it shall take effect and be in force at the earliest time allowed by law.

ADOPTED: July 8, 2014

Molly Kapeluck  
Molly Kapeluck, Clerk

Gerard Neugebauer  
Gerard Neugebauer, Council President

APPROVED: July 8, 2014

Richard G. Norton  
Richard G. Norton, Mayor

COPIED \_\_\_\_\_  
SVCE ZONE PARK ROAD ENG  
LAW FTND MAY PLAN FIRE

ENACTED EFFECTIVE: July 8, 2014

ON ROLL CALL: Ahlstrom -yea Humphrey -absent Knodel -yea Neugebauer -yea  
Reed -yea Summerville -yea Young -yea  
Adopted 6-0

Suburbanite publication on July 13 and July 20, 2014

Molly Kapeluck  
Molly Kapeluck, Clerk

07/03/2014 Approved as to form and content by Stephen J. Pruneski, Law Director Stephen J. Pruneski 7/3/14  
(LS)

**CITY OF GREEN  
MUNICIPAL ECONOMIC DEVELOPMENT GRANT AGREEMENT**

This Grant Agreement made and entered into by and between the **City of Green, Ohio**, with its administrative offices located at 1755 Town Park Blvd., P0 Box 278, Green, Ohio, 44232-0278 ("City") and **Stolle Machinery Co., LLC**, a Colorado Limited Liability Corporation with a manufacturing facility currently located at 934 Marion Avenue SW, Canton, OH 44707 ("Company").

**WITNESSETH:**

**WHEREAS**, the City has encouraged the development of existing vacant industrial and office real property where occupancy results in new employment opportunities for the City; and

**WHEREAS**, the Company will locate its operations to CAK International Business Park, Green, OH 44720 in the City of Green ("Property").

**WHEREAS**, the City desires to provide the Company with incentives consistent with the purposes of Section 13 of Article VIII of the Ohio Constitution to create or preserve jobs and employment opportunities and to improve the economic welfare of the people of the State of Ohio and the City; and

**WHEREAS**, the Mayor has investigated the request of the Company and has recommended this Grant Agreement to City Council because the Company is qualified by financial responsibility and business experience to create and preserve employment opportunities and improve the economic climate of the City; and

**WHEREAS**, City Council has enacted Resolution 2014-R37 authorizing the execution of a City of Green Municipal Economic Development Grant Agreement ("Grant Agreement") to provide certain monetary incentives to the Company.

**NOW THEREFORE**, in consideration of the mutual covenants contained in this Grant Agreement and the benefit to be derived by the parties from the execution of this Grant Agreement, the parties agree as follows:

**Section I: Definitions.**

A. "Confidential Information" means income tax withholding forms or reports, tax returns and other substantiating evidence used pursuant to Section 718.13 of the Revised Code; provided, however, Confidential Information shall not include information that became known to the City prior to the Company's disclosure of such information.

B. "Date of Initial Operations" means the date stated in the Grant Agreement in which the Company's facility and equipment is in a condition sufficient to allow for the commencement of Company activities at the Project Site.

C. "Related Member" means a person that with respect to the taxpayer during all or any portion of the taxable year is a Related Entity, is a component member as defined in Section 1 563(b) of the Internal Revenue Code, or is a person to or from whom there is attribution of stock ownership in accordance with Section 1 563(e) of the Internal Revenue Code.

D. "Related Entity" means one of the following:

i) An individual stockholder or a member of the stockholders family enumerated in Section 318 of the Internal Revenue Code, if the stockholder and the members of the stockholder's family own, directly, indirectly, beneficially, or constructively, in the aggregate, at least fifty per cent of the value of the taxpayers outstanding stock;

ii) A stockholder or a stockholders partnership, estate, trust, or corporation, if the stockholder and the stockholder's partnerships, estates, trusts, and corporations own directly, indirectly, beneficially, or constructively, in the aggregate, at least fifty per cent of the value of the taxpayer's outstanding stock;

iii) A corporation or a party related to the corporation in a manner that would require an attribution of stock from the corporation to the party or from the party to the corporation, if the taxpayer owns, directly, indirectly, beneficially, or constructively, at least fifty per cent of the value of the corporation's outstanding stock.

E. "Full-Time Permanent Employee" means an individual who is employed by the Company for at least thirty-five hours (35) hours a week.

F. "Retained Employees" means the Employees employed by the Company before the Date of Initial Operations at the Project Site. Further, Retained Employees include those Employees transferred to the Project Site before the Date of Initial Operations.

G. "Transferred Employees" means the Employees employed by the Company in another political subdivision in the State that are relocated to the Project Site.

H. "New Employee" means one of the following:

i) A Full-Time Permanent Employee first employed by the Company at the Project Site after the established Date of Initial Operations;

ii) Transferred Full-Time Permanent Employees relocated to the Project Site after the established Date of Initial Operations;

iii) If the City determines it appropriate, New Employee also may include a Full-Time Permanent Employee re-hired or called back from lay-off by the Company to work at the Project Site after the established Date of Initial Operations.

Except as otherwise provided, New Employee does not include:

1 Any Employee of the Company who was previously employed in this state by a Related Member of the Company and whose employment was shifted to the Company;

2. An Employee of the Company who is employed in a position that was relocated to the Project Site from other operations in this state or from operations of a Related Member of the Company in this state and the position was not refilled; or

3 A child, grandchild, parent or spouse (other than a spouse who is legally separated from the individual) of any individual who is an Employee of the Company and who has a direct or indirect ownership interest of at least five (5) percent in the profits, capital or value of the Company. Such ownership interest shall be determined in accordance with Section 1563 of the Internal Revenue Code and the regulations prescribed.

I. "Tax Year" means the calendar year for which taxes are charged.

J. "Collection Year" means the calendar year in which taxes are collected.

K. "Grant Year" means the Tax Year in which a municipal economic development grant is received by the Company.

L. "Municipal Income Tax" means an annual tax that is imposed by the City on income at the current rate as defined in Chapter 880 of City's Codified Ordinances.

M. "New Payroll Withholding Tax" means the total amount of Municipal Income Tax withheld by the Company from the compensation of New Employees during the applicable Tax Year.

N. "Reconciliation of City of Green Income Tax Withheld from Wages Form" means the form submitted by the Company showing the amount of payroll taxes withheld and paid during the applicable Tax Year to the City.

O. "Grant Payment" means the payment made by the City to the Company from revenue sources determined by the City equal to fifty percent (50%) of the City of Green Annual Municipal Income Tax Withholding Receipts derived from the transferring eight five (85) full-time permanent and forty-two (42) new full-time permanent employees to the Project Site by the Company for Tax Years 2016-2020. The City shall also provided a grant of \$200,000 for relocation expenses.

#### Section II: Company's Determinations.

The Company shall relocate its operations from 934 Marion Avenue SW, Canton, OH 44707 to an existing facility at CAK International Business Park, Green, OH 44720 which will serve as the company's manufacturing and office location for its two piece and end-making machinery for the global canmaking industry.

The Company is expanding due to the acquisition of new equipment purchased from Standard Jig Boring Service LLC, an Ariel Corporation company. The Company's current facility located at 934 Marion Avenue SW can no longer accommodate its growing needs. The equipment purchase also requires the Company to quickly take possession of an existing facility to house the equipment. The purchase's timing also occurs at the end of the Company's lease at its current facilities, providing an opportunity to find a location to house all of its Northeast Ohio operations under one roof.

**Section III: Job Retention Requirements.**

The Company shall retain existing employment levels ("Transferred/Retained Employees") at the facility located at CAK International Business Park, Green, OH 44720. The Company, as of December 31, 2014, has at its current location at 934 Marion Avenue SW, Canton, OH 44707: 85 Full-Time Permanent Employees.

**Section IV: Grant Percentage & Term.**

The City shall pay a grant to the Company from revenue sources determined by the City. The grant will begin in 2014 and end December 31, 2020. The City of Green shall provide a grant of \$200,000 to offset relocation and building modification costs in two installments over two fiscal years. The first payment of \$100,000 will be made by December 31, 2014, assuming the Company has begun to relocate equipment to the building located in CAK International Business Park. A second payment of \$100,000 will be made prior to March 31, 2015. These payments are contingent on the company signing a lease for a building at CAK International Business Park prior November 1, 2014 and relocating their operations. Should the Company not complete its relocation, this grant is revocable and all monies paid shall be returned to the City.

The City shall also grant to the Company, a sum equal to fifty (50) percent of the City of Green Annual Municipal Income Tax Withholding Receipts ("Payroll Withholding Taxes") derived from the retention, creation and relocation of at least 85 Full-Time Permanent Employees Transferred and 42 New Employees for a total of 127 employees at the Project Site by the Company for a period of five (5) Tax Years. The Grant Term shall begin in Tax Year 2016 (January 1, 2016) and terminate at the end of Tax Year 2020 (December 31, 2020) given that the Company maintains at least 50 percent of its anticipated payroll investment level of \$7,000,000 or at least \$3, 500,000.

The following chart provides as example of the terms and percentage amounts with the Company's current employment and payroll figures:

