Introduced by \_\_\_\_\_\_\_\_\_\_

Motioned by \_\_\_\_\_\_\_\_\_\_\_

Seconded by \_\_\_\_\_\_\_\_\_\_\_

1st Reading \_\_\_\_\_\_\_\_\_\_\_\_

2nd Reading \_\_\_\_\_\_\_\_\_\_\_

Third Reading \_\_\_\_\_\_\_\_\_

Under suspension \_\_\_\_\_\_\_

RESOLUTION NO. 2020 – 15

INTRODUCED BY MAYOR AND COUNCIL AS A WHOLE

**A RESOLUTION AUTHORIZING THE MAYOR TO EXECUTE AN AGREEMENT WITH NICHOLS PAPER & SUPPLY CO., FOR THE PROVISION OF A JOB CREATION GRANT** **AND DECLARING AN** **EMERGENCY**

**WHEREAS**, Nichols Paper & Supply Co., has approached the Village of Oakwood to explore locating its operations within the Village of Oakwood; and

**WHEREAS**, in lieu of any form of real estate tax abatement, Nichols Paper & Supply Co., has solicited a Job Creation Grant from the Village of Oakwood; and

**WHEREAS**, R.C. Sec 718.151 permits municipalities to grant job creation tax credits;

**WHEREAS**, the Council of Village of Oakwood has investigated this matter and has recommended the approval of this grant:

**NOW THEREFORE, BE IT RESOLVED** by the Council of the Village of Oakwood, County of Cuyahoga, and State of Ohio that:

**SECTION 1**. The Mayor be and is hereby authorized to enter into a Job Creation Grant Agreement in the form substantially similar to the one attached hereto, expressly made a part hereof by reference, and marked Exhibit "A".

**SECTION 2**. The Finance Director be and is hereby authorized to expend such non-tax funds of the Village pursuant to and in accordance with the terms and conditions contained in the attached Agreement.

**SECTION 3**. This Resolution is hereby declared to be an emergency measure necessary for the immediate preservation of the public peace, health, safety and welfare of the inhabitants of the Village, the reason for the emergency being that the same relates to the daily operation of a municipal department, therefore, provided it receives two-thirds (⅔) of the vote of all members of Council elected thereto, said Resolution shall be in full force and effect immediately upon its adoption by this Council and approval by the Mayor, otherwise from and after the earliest period allowed by law.

PASSED:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Johnnie A. Warren, President of Council

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Debra L. Hladky, Clerk of Council

Presented to the

Mayor \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Approved: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Mayor, Gary V. Gottschalk

I, Debra L. Hladky, Clerk of Council of the Village of Oakwood, County of Cuyahoga and State of Ohio, do hereby certify that the foregoing Resolution No. 2020 -15 was duly and regularly passed by this Council at the meeting held on the \_\_\_\_\_ day of \_\_\_\_\_\_\_\_\_\_\_\_, 2020.

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Debra L. Hladky, Clerk of Council

**POSTING CERTIFICATE**

I, Debra L. Hladky, Clerk of Council of the Village of Oakwood, County of Cuyahoga and State of Ohio, do hereby certify that Resolution No. 2020- 15 was duly posted on the \_\_\_\_\_ day of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, 2020, and will remain posted for a period of fifteen (15) days thereafter in the Council Chambers and in not less than five (5) of the most public places in the municipality as determined by the Council of the said Village.

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Debra L. Hladky, Clerk of Council

DATED: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

EXHIBIT A

**JOB CREATION GRANT AGREEMENT**

This agreement made and entered into this \_\_\_\_\_ day of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, 2020, by and between the Village of Oakwood, Ohio, an Ohio municipal corporation, with its main offices located at 24800 Broadway Avenue, Oakwood Village, Ohio 44146 (hereinafter referred to as "Village" or "Oakwood") and Nichols Paper & Supply Co, with its main offices located at 1391 Judson Road, Norton Shores, Michigan 49456 (hereinafter referred to as "Company").

**WITNESSETH:**

**WHEREAS**, Oakwood has encouraged the creation and retention of job opportunities throughout the Village; and

**WHEREAS**, the Company is desirous of leasing certain facilities located at 26350 Broadway Ave., Oakwood Village, Ohio 44146, to create employment opportunities (hereinafter sometimes referred to as the "Project") within the boundaries of the Village of Oakwood, provided that the appropriate development incentives are available to support the economic viability of said Project; and

**WHEREAS**, the Village of Oakwood is desirous of providing the Company with incentives available for the development of the Project; and

**WHEREAS**, the Council of the Village of Oakwood has investigated this matter and has recommended the same on the basis that the Company is qualified by financial responsibility and business experience to create employment within the Village of Oakwood and improve the economic climate of Oakwood; and

**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:

Description of the Project.

A. The Company shall lease for a period of seven (7) years certain facilities located

at 26350 Broadway Ave., Oakwood Village, Ohio, 44146 for the location of its

Cleveland operations. The Company is a leading supplier of paper, packaging &

sanitary solutions for clean and healthy facilities, in K-12 Schools/Colleges,

Hospitals/Surgery Centers, Long Term Care-Nursing Homes, Hotels/Motels/Casinos

and in Food Processing and other major Industrial markets in the Great Lakes region.

* + - 1. Job Creation and Retention.

1. The Company shall create 37 jobs in the Village of Oakwood, by December 31,

2022 , which will result in a minimum $2,000,000.00 annual payroll. This amount shall

be subject to the imposition of the Village’s Municipal Income Tax.

3. Issuance of Grant.

A. The Village of Oakwood hereby grants a Job Creation Grant based upon the

creation of new payroll and jobs in the Village of Oakwood, according to the

schedule below.

Years Amount of rant

5 Thirty percent (30%) of the actual withholding tax

commencing in 2022 and, thereafter, for each year the grant is in effect provided the annual payroll is $2,000,000.00 or more.

Funding for the grant issued herein shall only be from the following non-tax

revenue sources: interest income, permit fees, activity fees, service charges, activity

fees, tax incentive application and monitoring fees and any other non-tax revenues.

B. To receive a grant in any given year, the Company must make written application to

the Village through the Mayor for such grant and provide the necessary documentation

in support of its application. Based upon the information supplied to the Mayor, the

Mayor shall recommend in writing to Village Council whether the grant should be

given for any such year. Based upon Council's review of the information and

documentation supplied by the Company together with the recommendation of the

Mayor, Council shall either approve or deny such grant based upon compliance by the

Company of the criteria set forth in this Agreement. This application must be made no

later than February 28th of any year for which a grant is in effect.

C. In the event the Company exercises its option to renew its lease agreement for the

facilities described herein, Oakwood shall consider extending the Job Creation Credit

from 2027 determined by the increased level in the Company’s annual payroll.

4. Grant Payments.

A. Initial Grant Payment.

Payroll levels as provided herein must be met by December 31, 2022.

The initial grant payment shall be made by June 1, 2023 (the following year),

provided that the Company files a Reconciliation of Village Income Tax

Withheld RITA Form 17 by February 28, 2023.

B. Timing of Annual Grant Payments. Annual grant payments shall be made by

June 1st of the following year, provided that the company files it Reconciliation

of Village Income Tax Withheld RITA Form 17 by February 28th. If the

Company requests an extension for filing of its RITA Form 17, the Village shall

make the grant payment within three months of the extended filing date. It is the

responsibility of the company to advise the Mayor of the filing extension.

5. Information for Annual Review. The Company shall timely provide to the Village

any information reasonably required by the Village to evaluate the Company's

compliance with the Agreement.

6. Certification as to Payments of Taxes. The Company certifies that at the time this

Agreement is executed and during any time while this agreement is in effect, the

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 Company is liable under Chapters 5733, 5735, 5739, 5741, 5743, 5747,

or 5753 of the Ohio 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 last day prescribed for payment without

penalty under the Chapter of the Revised Code governing payment of those taxes.

7. Non-Discrimination Hiring. By executing this Agreement, the Company is

committing to following non-discriminatory hiring practices acknowledging that no

individual may be denied employment solely on the basis of race, religion, sex,

disability, color, national origin, or ancestry. Company further agrees to use a good-

faith effort in giving preference in hiring to Oakwood Village residents provided they

are otherwise qualified for the position available.

8. Transfer and Assignment. This Agreement is not transferable or assignable

without the express, written approval of Oakwood Village Council. The Village

acknowledges that it would be unreasonable to withhold such consent in the event of

a proposed transfer or assignment to any parent, subsidiary or affiliate of the

Company or to any third party so long as with respect to all or any of such proposed

transfers or assignments, the proposed transferee or assignee adequately and

sufficiently demonstrates to the Village, to the Village's reasonable satisfaction, its

financial ability, business experience and intentions to continue its operations of the

Facility and Project in a manner similar to that of the Company in all pertinent

respects.

9. Termination of Grant

1. This Agreement shall expire December 31, 2026 unless otherwise extended except that credits accumulating for the year 2026 shall be paid in 2027 according to the schedules set forth hereinabove.
2. If the Company fails to submit required information and/or reports as set forth

above, the Village may terminate or modify this Agreement and deny or modify future

grants heretofore granted from the date of the Company's breach or default. In the

case as provided in this Subsection, the Village's termination or modification of this

Agreement may be instituted only if the Company fails to cure any breach of any term

of this Agreement as determined by the Village within ten (10) days of receiving

written notice of such failure from the Village or, if cure of the breach cannot be

completed within ten (10) days, if the Company has not made a good faith start of the

cure, and/or not diligently pursued same.

C. Oakwood may terminate or modify this Agreement and may also require the

repayment of the full amount of grant payments awarded under this Agreement, if

the Village determines that the certification as to delinquent taxes required by this

Agreement is fraudulent or untrue, or if the Company otherwise breaches this

Agreement.

D. Oakwood may terminate or modify this Agreement and may also require the

repayment of 100% of the full amount of the grant payments awarded under this

Agreement, upon the occurrence of the following:

The Company vacates the leased premises located at 26350 Broadway

Ave. and moves the Project out of the Village of Oakwood or terminates its

operations at the leased premises altogether during the term of this Agreement

ending December 31, 2026.

E. In determining whether or not to modify this Agreement the Mayor of the

Village of Oakwood and Village Council shall consider the effect of market

conditions on the Company’s project and whether or not the Company is closing its

operations, relocating its operations outside the Village of Oakwood or relocating its

operations within the Village of Oakwood. After making the determination, the

Mayor shall recommend to Village Council any modifications to this Agreement.

The Village Council may adopt or modify this recommendation at its discretion. The

Company agrees to reimburse the Village of Oakwood any grant refunds as provided

above within fifteen (15) days of the date of the notice to refund grant funds is

provided to the Company as detailed herein.

10. Any notices, statements, acknowledgments, consent approvals, certificates, or requests

required to be given on behalf of either party shall be made in writing addressed as follows:

If to the Village to: Village of Oakwood

24800 Broadway Avenue

Oakwood Village, Ohio 44146

Attn: Mayor

With a copy to: Director of Law - Village of Oakwood

24800 Broadway Avenue

Oakwood Village, Ohio 44146

If to the Company to: Nichols Paper & Supply Company.

26350 Broadway Avenue,

Oakwood Village, Ohio 44146

11. Condition Precedent. The Company and Oakwood acknowledge that this Agreement

must be approved by formal action of the legislative authority of the Village of Oakwood

as a condition for the agreement to take effect.

**IN WITNESS WHEREOF**, the parties hereto, after first being duly authorized, have executed this agreement on the date first written above.

WITNESSED BY: VILLAGE OF OAKWOOD

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ By:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Gary V. Gottschalk,

Mayor

Village of Oakwood

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

WITNESSED BY:

NICHOLS PAPER & SUPPLY

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ By:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

WITNESSED BY: Nichols Paper & Supply Co

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

WITNESSED BY:

Approved as to legal form:

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

James A. Climer,

Director of Law

Village of Oakwood

This Agreement has been authorized by Resolution No. 2020 - 15, adopted the \_\_\_\_\_ day of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, 2020.

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Debra L Hladky

Clerk of Council