

RESOLUTION NO. 2022-65

INTRODUCED BY MAYOR AND COUNCIL AS A WHOLE

**A RESOLUTION AUTHORIZING THE MAYOR TO
EXECUTE AN AGREEMENT WITH THE SAFETY
COMPANY, LLC, FOR THE PROVISION OF A JOB
RETENTION GRANT AND DECLARING AN EMERGENCY**

WHEREAS, The Safety Company, LLC dba MTech, has approached the Village of Oakwood to explore some form of economic assistance so they may continue their operations within the Village of Oakwood; and

WHEREAS, in lieu of any form of real estate tax abatement, The Safety Company, LLC, has solicited a Job Retention Grant from the Village of Oakwood; and

WHEREAS, the Economic Development Committee of the Village of Oakwood has investigated this matter and has recommended the approval of this grant to Village Council.

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 Retention 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 retention of job opportunities and tax revenues for the Village for which time is of the essence, therefore, provided it receives two-thirds (2/3) 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 11/2/13/2022


Christine Morgan, Clerk of Council


Johnnie A. Warren, President of Council

Presented to the
Mayor

12/14/2022

Approved:

12/14/2022


Mayor Gary V. Gottschalk

I, Christine Morgan, Clerk of Council of the Village of Oakwood, County of Cuyahoga and State of Ohio, do hereby certify that the foregoing Resolution No. 2022-65 was duly and regularly passed by this Council at the meeting held on the 13th day of December 2022.


Christine Morgan, Clerk of Council

POSTING CERTIFICATE

I, Christine Morgan, Clerk of Council of the Village of Oakwood, County of Cuyahoga and State of Ohio, do hereby certify that Resolution No. 2022-65 was duly posted on the 14th day of December, 2022, and will remain posted as provided in the Charter of the Village of Oakwood.


Christine Morgan, Clerk of Council

DATE: 12/14/2022

JOB RETENTION GRANT AGREEMENT

This agreement made and entered into this _____ day of _____, 2022, 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 The Safety Company, LLC dba MTech, an Ohio corporation, with its main offices located at 7401 First Place, Oakwood Village, Ohio 44146 (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 extending its lease at certain facilities located at 7401 First Place, 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 Economic Development Committee of the Village of Oakwood has investigated this matter and has recommended the same to Oakwood Village Council 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;

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. Description of the Project.

- A. The Company shall extend its lease for a period of two (2) years beyond its current expiration date of January 1, 2023 for certain facilities located at 7401 First Place, Oakwood Village, Ohio, 44146 consisting of 10,900 sq. ft. for the location of its operations. The Company is engaged in the business of providing sewer, safety and street cleaning equipment and safety training and consulting throughout Ohio and Michigan.

2. Job Creation and Retention.

- A. The Company shall remain in the Village of Oakwood and maintain a minimum annual payroll of \$500,000.00 which amount is 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 based upon the creation of new payroll and jobs in the Village of Oakwood, according to the schedule below.

1) <u>Years</u>	<u>Amount of Grant as a Percentage of Payroll Taxes</u>
2	Fifty percent (50%) if the annual payroll is \$875,000.00 or more for each year the grant is in effect; Thirty-five percent (35%) if the annual payroll is less than \$875,000.00 but equal to or greater than \$500,000.00; or 0% if the annual payroll is less than \$500,000.00 for each year the grant is in effect.

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 April 1st of any year for which a grant is in effect.

5. Grant Payments.

- A. Initial Grant Payment.

- 1) Payroll levels as provided herein must be met by December 31, 2022. The initial grant payment shall be made by June 30, 2023 (the following year), provided that the Company files its 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 30 of the following year, provided that the company files its 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.

6. 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.
7. 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.
8. 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.
9. 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.
10. Termination of Grant.
 - A 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.

- B 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.
 - C 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:
 - 1) The Company vacates the leased premises located at 7401 First Place and moves the Project out of the Village of Oakwood or terminates its operations at the leased premises altogether during a two (2) year period beginning on the effective date of this Agreement.
 - D 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.
11. 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:

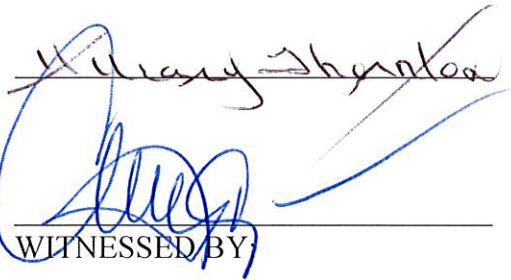
If to the Village to: Village of Oakwood
24800 Broadway Avenue
Oakwood Village, Ohio 44146
Attn: Mayor

With a copy to: James A. Climer
Director of Law - Village of Oakwood
34305 Solon Rd., Ste. 100
Solon, OH 44139
440.249.7906 x 137
jclimer@mrrlaw.com

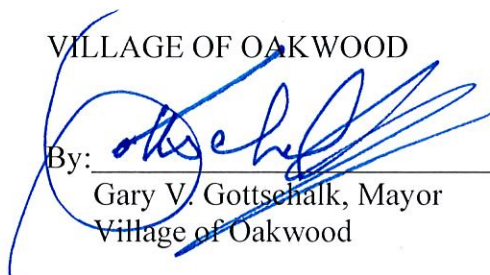
If to the Company to: The Safety Company, LLC.
7401 First Place
Oakwood Village, Ohio 44146

12. 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.

WITNESSED BY:


WITNESSED BY:

VILLAGE OF OAKWOOD

By: 
Gary V. Gottschalk, Mayor
Village of Oakwood

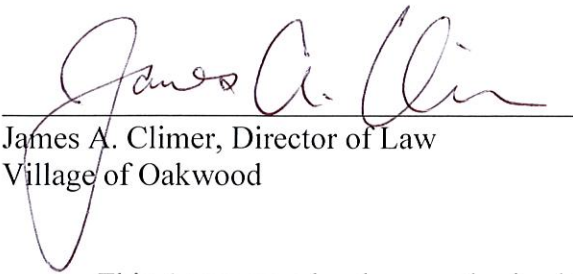
The Safety Company, LLC

WITNESSED BY:

By: _____
Chris Cira, Managing Member
The Safety Company, LLC

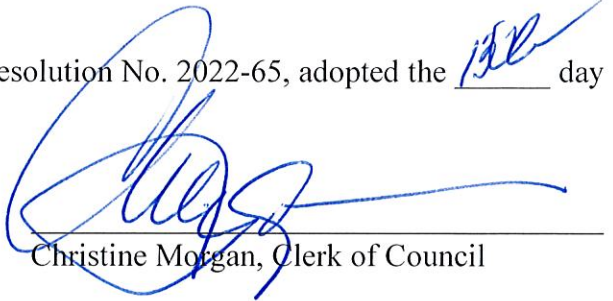
WITNESSED BY:

Approved as to legal form:



James A. Climer, Director of Law
Village of Oakwood

This Agreement has been authorized by Resolution No. 2022-65, adopted the 15th day
of December, 2022.



Christine Morgan, Clerk of Council