

~~11-28-23~~ 1st Reading / Tabled  
~~12-12-23~~ 2nd Reading  
~~12-22-23~~ 3rd Reading  
~~12-22-23~~ Under Suspension  
~~12-22-23~~ Adopted

ORDINANCE NO. 2023 -48

INTRODUCED BY MAYOR AND COUNCIL AS A WHOLE

**AN EMERGENCY ORDINANCE DETERMINING THE PERIOD OF TAX EXEMPTION FOR AN IMPROVEMENT TO REAL PROPERTY OWNED BY FEDERAL METAL CO. LOCATED IN OAKWOOD COMMUNITY REINVESTMENT AREA NO. 1**

**WHEREAS**, The Mayor, as Housing Officer, certifies that improvements to the commercial property in Oakwood Community Reinvestment Area No. 1, owned or to be owned by Federal Metal Co.. (hereinafter "Federal Metal"), qualifies for real property tax exemption under Ordinance 1991-72, as amended by Ordinances 1996-61, 2001-22 and 2019-09; and

**WHEREAS**, The Mayor, as Housing Officer, has given notice to the Board of Education in the school district in which the proposed tax exempted property is located pursuant to Section 5709.83 of the Ohio Revised Code; and

**WHEREAS**, Council must determine the period of such exemption:

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

**SECTION 1.** Federal Metal is proposing to build one to three new steel-frame buildings between 35,000 and 50,000 square feet total for receiving, production, shipping, and warehousing at a total estimated cost of \$4,000,000.<sup>00</sup> including the construction of an entrance/exit for trucks.

**SECTION 2.** To the extent that the improvements to the real properties located at 7250 Division Street, also known as Permanent Parcel Numbers 795-47-032 and 795-48-020 (hereinafter "Property"), which are within the Village of Oakwood (hereinafter "Village") and Oakwood Community Reinvestment Area No. 1 and owned by Federal Metal or its successor in interest, will increase the market value of the real property improvements, such amount shall be, and hereby is, exempt from real property taxation pursuant to Ordinance 1991-72, as amended by Ordinances 1996-61, 2001-22, and 2019-09, and Section 3735.67(D)(2) of the Ohio Revised Code for a period of fifteen (15) years, beginning in the year following the calendar year of certification of the above to the County Auditor by the Village Housing Officer after the completion of each building. Said exemption shall cover ninety percent (90%) of the dollar amount by which the improvements increase the market value of the real property improvements. Any additional development on the balance of the Property similar in nature to that presently proposed, will be granted similar incentives provided such development occurs within five (5) years of the adoption of this Ordinance. In addition, all tap-in, permit and review fees, as well as the abatement application fee, shall be waived for the construction of these facilities and items related thereto, as and for additional economic incentives to Federal Metal for the Project within the Village of Oakwood, Ohio.

**SECTION 3.** The period of said exemption shall terminate before the end of fifteen (15) years, but after the first year of exemption, if the Housing Officer finds and certifies delinquency in a payment of property taxes for the Property or that the Property has not been maintained or repaired due to the negligence of the owner.

**SECTION 4.** In the event Federal Metal or its successor(s) in interest, fail to construct the building(s) indicated in its application, which application is attached hereto and expressly made a part hereof by reference and marked Exhibit "A", within eighteen months of the date of this Ordinance this exemption shall become null and void. If Federal Metal or its successor(s) in interest shall, for any reason, cease operation of the buildings contemplated hereunder, it shall reimburse to the County Auditor for proper distribution an amount equal to 100% of the tax incentive dollars it has saved as a result of this Ordinance to the point operations have ceased.

**SECTION 5.** In the event the real property tax, as it is presently constituted, is eliminated by the State of Ohio and if a new tax, in whatever form, replaces said real property tax and, in the further event abatement from the payment of the new tax is permitted by applicable law, the Village agrees to allow for the substitution of the new form of abatement for the abatement described herein, provided the new abatement bears the same proportion to the new tax that the present abatement bears to the present tax and provided further that the substitution is permitted, in whole or in part, by State and /or local laws and is approved by any governmental entity having jurisdiction over such matters including, but not limited to, the local school board. Said substituted abatement shall continue for the remaining duration of the existing abatement.

**SECTION 6.** This Ordinance 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 and the preservation of time-sensitive economic development opportunities for the benefit of the Village and its residents, therefore, provided it receives two-third (2/3) of the vote of all members of Council elected thereto, said Ordinance 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: 12.22.2023

Tanya Joseph  
Tanya Joseph, Clerk of Council

John A. Warren  
Johnnie A. Warren, President of Council

Presented to the Mayor 12.28.23

Approved: 12.28.23

Gary V. Gottschalk  
Gary V. Gottschalk, Mayor

I, Tanya Joseph, Clerk of Council of the Village of Oakwood, County of Cuyahoga, and State of Ohio, do hereby certify that the foregoing Ordinance No. 2023-48 was duly and regularly passed by this Council at the meeting held on the 22<sup>nd</sup> day of December, 2023.

Tanya Joseph  
Tanya Joseph, Clerk of Council

### POSTING CERTIFICATE

I, Tanya Joseph, Clerk of Council of the Village of Oakwood, County of Cuyahoga, and State of Ohio, do hereby certify that Ordinance No. 2023-48 was duly posted on the 29<sup>th</sup> day of December, 2023, and will remain posted as provided in the Charter and Codified Ordinances of the said Village.

Tanya Joseph  
Tanya Joseph, Clerk of Council

DATED: 12.29.2023

Exhibit A

# Village of Oakwood

## Community Reinvestment Area (CRA) Application & Tax Increment Financing (TIF) Application

1. (a) Please provide name of property owner(s), legal business name, main office address and other contact information, of the property owner(s):

PETER J NAGUSKY  
Property Owner

ROBERT WITTENBERG  
Contact Person

Property Owner

440 232 8700 x2232

THE FEDERAL METAL CO

Daytime Phone #

Business Name

RWITTENBERG@federalmetal.com

7250 Division St

Email & Website Address

Mailing Address & Federal Tax ID#

(b) **Business Organization:**

Corporation, Partnership, Sales Proprietorship, LLC, Joint Venture, Franchise, Start-Up or Other (specify)

Oakwood Industries dba THE FEDERAL METAL CO

(c) List primary 6-digit North American Industry Classification System (NAICS) # \_\_\_\_\_

2. **Nature of Business Activity @ proposed Property Site in Oakwood:**

Office, Research & Development, Light Manufacturing, Warehouse/Distribution, Wholesale/Retail, Service or Other (specify) **Please estimate Percentage of Total Business.**

40% Capacity Increase

3. **Description of Proposed Facility**

(a) Site Address: 7250 Division St/Federal Metals Headquarters

(b) Permanent Parcel #(s) 795-47-032

(c) Cost of Land: ---

(d) Project Timeline: Will Begin 11/1/2024 Be Completed 1/1/2025

(e) Building Description: one-to-three new steel frame buildings between 35 – 50,000 SF TOTAL for receiving, production, shipping & warehousing at a total cost of \$ ~~1,000,000.00~~ that includes constructing an entrance/exit for trucks  
7,000,000

4. **Project Description & 5-Year Business Plan**

Please include existing as well as new products or services which will result from this Project:

No new projects – just to ~~make~~ expand current operations more efficient rather than relocate to Pennsylvania or Arkansas where we have built new facilities after granted generous tax incentives.



5. **Estimate the amount to be invested by the Applicant to establish, renovate, expand or occupy the proposed Project Site:**

(a) Acquisition of Existing Building(s)	\$ <u>                    </u>
(b) Renovation/Expansion to Existing Building(s)	\$ <u>300,000</u>
(c) <b>Construction of New Building(s)</b>	\$ <u>4,500,000</u>
(d) Machinery & Equipment	\$ <u>3,000,000</u>
(e) Furniture & Fixtures	\$ <u>200,000</u>
(f) Inventory	\$ <u>                    </u>
<b><u>Total New Project Investment</u></b>	\$ <u>8,000,000</u>

6. **Employment Opportunities @ proposed Project Site in Oakwood:**

(a)            Current # Employees

(b) \$8.0 mil Current Annual Payroll

(c) **Relocation and/or Consolidation of Operations**

Will the project involve the relocation of employment positions or assets from one Ohio location to the proposed Oakwood Project Site? Yes            No ✓

(d) If yes, please name the site affected by the relocation to Oakwood & the impact of the relocation on that site detailing the number of employees and/or assets to be relocated:

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(e)            Estimate **# New Employees** the Applicant will cause to be created @ proposed Oakwood Project Site. Please list total employment level by full & part-time and permanent & temporary:

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(f)                      Estimate Annual Payroll for Year 1

(g)                      Estimate Annual Payroll for Year 3

(h)                      Estimate Annual Payroll for Year 5

7. (a) **The Applicant requests the following tax incentives:**

CRA abatement of 90 % for 15 Years covering real property improvements as described above.

Tax Increment Financing (TIF) under Section [Revised Code 5709.40(B), 5709.40(C), 5709.41] of 100 % for 30 Years. If the affected school district does not receive the amount of real property taxes that it would otherwise had received had the TIF not been enacted, please describe the proposed compensation arrangement with the local school district:

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The Federal Metal Company

Name & Title of Property Owner (Typed or printed)

[Signature] 11/27/2023

Signature & Date

Submit complete application to:

Gary V. Gottschalk

Mayor

Village of Oakwood

24800 Broadway Avenue

Oakwood Village, Ohio 44146

Phone: (216) 346-7073

[dhammett@oakwoodvillageoh.com](mailto:dhammett@oakwoodvillageoh.com)

A copy of this proposal will be forwarded by the Village of Oakwood to the Board of Education of the Bedford City School District along with notice of the meeting date on which Oakwood Village will review the proposal. Notice must be given a minimum of fourteen (14) days prior to the scheduled meeting to permit the Board of Education to appear and/or comment before the Oakwood Village Council considering the request.

A copy of the proposal will be attached to the final Community Reinvestment Area Agreement as Exhibit A and will be forwarded to the Ohio Department of Taxation and the Ohio Development Services Agency within fifteen (15) days of final approval.