

11.28.23 1st Reading / *tabled*
12.12.23 2nd Reading
12.22.23 3rd Reading
12.27.23 Under Suspension
Adopted

RESOLUTION NO. 2023 – 49

INTRODUCED BY MAYOR AND COUNCIL AS A WHOLE

A RESOLUTION AUTHORIZING THE MAYOR TO EXECUTE AN AGREEMENT WITH FEDERAL METAL CO., FOR THE PROVISION OF A JOB CREATION GRANT AND DECLARING AN EMERGENCY

WHEREAS, Federal Metal Co. (hereinafter “Federal Metal”) has indicated to the Village that it intends to expand its operations in the Village by constructing one to three new shipping and warehousing buildings and staffing those buildings; and

WHEREAS, Federal Metal has solicited a Job Creation Tax Credit from the Village of Oakwood; and

WHEREAS, R.C. Sec 718.15 permits municipalities to grant job creation tax credits; and

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 and the creation of job opportunities and other economic benefits for residents of the Village and surrounding areas for which time is of the essence, therefore, provided it receives two-thirds ($\frac{2}{3}$) 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.

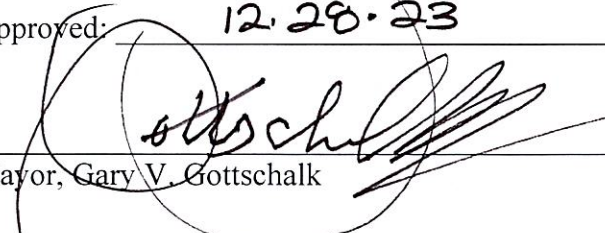
PASSED: 12.22.2023


Johnnie A. Warren, President of Council

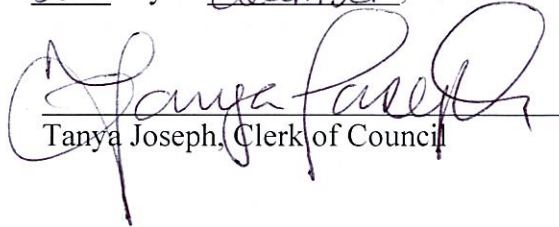

Tanya Joseph, Clerk of Council

Presented to the Mayor 12.28.23

Approved: 12.28.23



Mayor, Gary V. Gottschalk

I, Tanya Joseph, Clerk of Council of the Village of Oakwood, County of Cuyahoga, and State of Ohio, do hereby certify that the foregoing Resolution No. 2023 -49 was duly and regularly passed by this Council at the meeting held on the 22nd day of December, 2023.


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 Resolution No. 2023 -49 was duly posted on the 29th day of December, 2023, and will remain posted as provided in the Charter and Codified Ordinances the said Village.


Tanya Joseph, Clerk of Council

DATED: 12.29.2023

EXHIBIT A

JOB CREATION GRANT AGREEMENT

This agreement made and entered into this ____ day of _____, 2023, 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 Federal Metal Co., an Ohio Corporation with its main offices located at 7250 Division Street, Oakwood Village, OH 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 upgrading certain facilities leasing certain facilities located at 7250 Division Street 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;

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, located in Oakwood Village since 1960, uses recyclable material to manufacture bronze and brass ingots used in a variety of manufacturing operations in the U.S The Company 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 \$4,000,000.⁰⁰ including the construction of an entrance/exit for trucks.

2. Job Creation and Retention.

In order to receive the grants set forth in Section 3 below, the Company must remain in the Village of Oakwood and maintain a minimum annual payroll of Eight million Dollars (\$8,000,000.00) which amount shall be subject to the Village's Municipal Income Tax. The minimum payroll to receive the grants set forth in Section 3 below shall be increased yearly by two percent (2%) throughout the term of this Agreement.

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.

<u>Years</u>	<u>Amount of Grant</u>
10	One hundred percent (100%) of “additional payroll taxes” paid to Oakwood for any year during the term of this Agreement. The term “additional payroll taxes” shall mean income tax paid to Oakwood on gross annual payroll in excess of Eight million Dollars (\$8,000,000.00) plus any yearly adjustments provided in Section 2 hereinabove.

- 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 with the criteria set forth in this Agreement. This application must be made no later than April 1 of any year for which a grant is in effect.

4. Grant Payments.

A. Initial Grant Payment.

The initial grant payment shall be made by June 30, 2025, provided that the Company files its Reconciliation of Village Income Tax Withheld RITA Form 17 by February 28, 2025.

B. Timing of Annual Grant Payments.

Annual grant payments shall be made by June 30th of each subsequent year, provided that the Company timely files its application and Reconciliation of Village Income Tax Withheld RITA Form 17 on the dates specified hereinabove. 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 provided it has complied with all other terms of this Agreement. It is the responsibility of the Company to advise the Mayor of any RITA Form 17 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 not filed a petition in bankruptcy under 11 U.S.C.A. 101, et seq., nor has such a petition been filed against the Company. For the purposes of this 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, ancestry, or any other prohibited classification. 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'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
 - 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.
 - 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 premises located at 7250 Division St. and moves the Project out of the Village of Oakwood or terminates its operations at the premises altogether during the term of this Agreement.

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

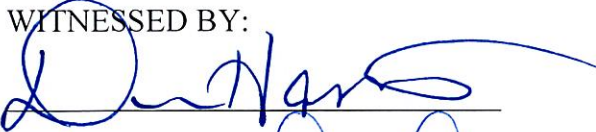
With a copy to: Director of Law - Village of Oakwood
34305 Solon Rd., Ste. 100
Solon, OH 44139
440.249.7906 X 137
jclimer@mrrlaw.com


If to the Company to: Federal Metal Co.
7250 Division St.
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.

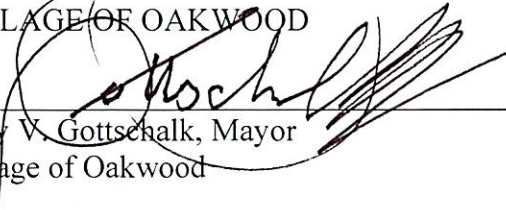
WITNESSED BY:





WITNESSED BY:

VILLAGE OF OAKWOOD

By: 

Gary V. Gottschalk, Mayor
Village of Oakwood

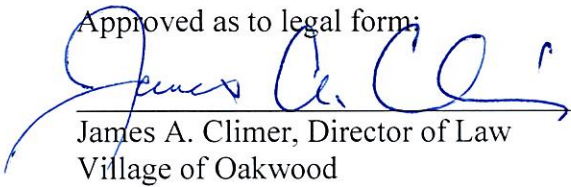
Federal Metal Co.

By: _____
(Title)

WITNESSED BY:

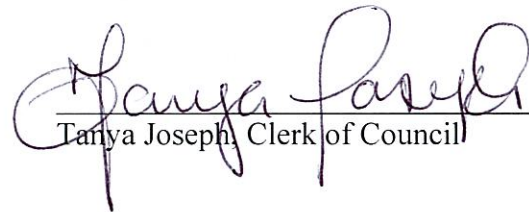
WITNESSED BY:

Approved as to legal form:



James A. Climer, Director of Law
Village of Oakwood

This Agreement has been authorized by Resolution No. 2023 -49, adopted the 20nd day of December, 2023.



Tanya Joseph, Clerk of Council