

RESOLUTION NO. 2024-129

INTRODUCED BY MAYOR AND COUNCIL AS A WHOLE

**A RESOLUTION AUTHORIZING THE MAYOR TO EXECUTE AN AGREEMENT
WITH FINANCIERE ESTEREL d/b/a TRESCAL, INC., FOR THE PROVISION OF A
NON-REFUNDABLE NET PROFITS TAX CREDIT AND DECLARING AN
EMERGENCY**

WHEREAS, Trescal, Inc., a Michigan corporation and a wholly owned subsidiary of Financiere Esterel, a French company, has approached the Village of Oakwood to explore locating its operations within the Village of Oakwood; and

WHEREAS, Trescal has solicited a Net Profits Tax Credit from the Village of Oakwood;
and

WHEREAS, R.C. Sec 718.15 permits municipalities to grant net profits tax credits;

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

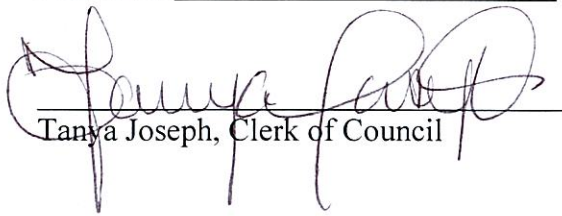
NOW THEREFORE, BE IT RESOLVED by the Council of the Village of Oakwood, County of Cuyahoga, and State of Ohio that:

SECTION 1. The Mayor be and is hereby authorized to enter into a Net Profits Tax Credit 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 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: 4.8.25


Tanya Joseph, Clerk of Council

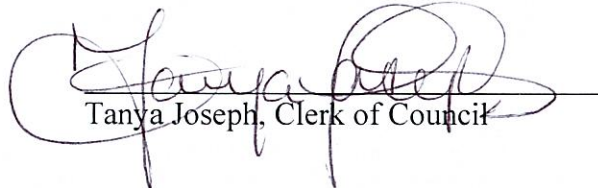

Erica Nikolic, President of Council

Presented to the Mayor 4.9.25

Approved: 4.14.25

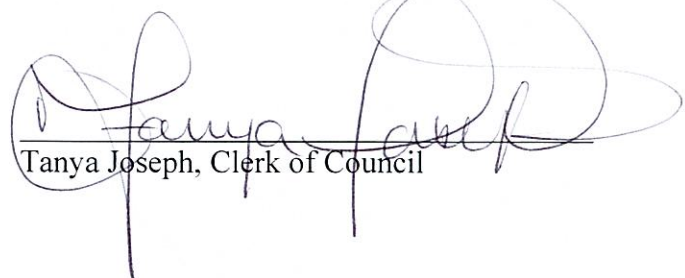

Mayor, Gary W. Gottschalk

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. 2024-129 was duly and regularly passed by this Council at the meeting held on the 8th day of April, 2025


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. 2024-129 was duly posted on the 22nd day of April, 2025 and will remain posted in accordance with the Oakwood Village Charter.


Tanya Joseph, Clerk of Council

DATED: 4.22.25

EXHIBIT A

NET PROFITS TAX CREDIT AGREEMENT

This agreement made and entered into as of the last date of signature set forth hereinbelow, 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 Trescal, Inc., a Michigan corporation with its main offices located at Parc d'Affaires Silic, 8 rue de l'Estrel, F-94150, RUNGIS, FR., and a wholly-owned subsidiary of Financiere Esterel, a French company (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 Bldg. F, Ste. A, 7730 First Place, Oakwood Village, Ohio 44146, developed by Access Point Properties II, LTD., an Ohio limited liability company, Donald M. King, managing partner, 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:

1. Description of the Project.

- A. The Company shall lease for a period of ten (10) years certain facilities located at Bldg. F, Ste. A, 7730 First Place, Oakwood Village, Ohio, 44146 for the location of its Cleveland operations. The Company is a leading worldwide supplier of calibration services in numerous industries including aerospace, food and beverage, telecommunications, automobile and life sciences.

2. Job Creation and Retention.

- A. The Company shall create 32 jobs in the Village of Oakwood, by December 31, 2024, which will result in a minimum \$1,500,000.00 annual payroll subject to Oakwood's net profits tax.

3. Issuance of Grant.

- A. The Village of Oakwood hereby grants a non-refundable net profits tax credit 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>
5	Fifty percent (50%) of the actual net profits taxes owed to Oakwood by the Company commencing in 2024 and, thereafter, for each year the grant is in effect provided the annual payroll is \$1,500,000.00 or more.

- B. To receive a credit in any given year, the Company must make written application to the Village through the Mayor for such credit 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 credit 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 based upon compliance by the Company with the criteria set forth in this Agreement. This application must be made no later than February 28th of any year following the year for which a credit is sought.

4. Credits

- A. Credit.

Payroll levels as provided herein must be met by December 31, 2024. The credit shall be made by June 1, 2025 (the following year), provided that the Company files a Reconciliation of Village Income Tax Withheld RITA Form 17 by February 28, 2025.

- B. Timing of Annual Credit Payments. Annual credit payments shall be made by June 1st 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 of an 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 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, or ancestry. The 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. This Agreement shall expire December 31, 2029 unless otherwise extended except that credits accumulating for the year 2029 shall be paid in 2030 according to the schedules set forth hereinabove.
 - B. 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 credits 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 credits 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 Bldg. F, Ste. A, 7730 First Place, Oakwood, Ohio 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, 2029.

- 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: ~~the~~ 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:

Trescal, Inc.
Bldg. F, Ste. A
7730 First Place
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.

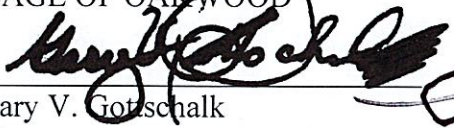
IN WITNESS WHEREOF, the parties hereto, after first being duly authorized, have executed this agreement on the date first written above.

WITNESSED BY:



VILLAGE OF OAKWOOD

By:


Gary V. Gotschalk
Mayor
Village of Oakwood

4.14.25
DATE

WITNESSED BY:

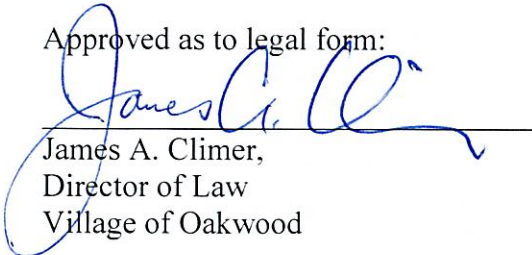
TRESCAL, INC. a Michigan corporation

By:


Title

DATE

Approved as to legal form:


James A. Climer,
Director of Law
Village of Oakwood

This Agreement has been authorized by Resolution No. 2024-129, adopted the 8th day
of April, 2025.


Tanya Joseph, Clerk of Council

**TRESCAL INC. INCOME TAX COLLECTIONS JULY-DECEMBER 2024
& JANUARY-FEBRUARY 2025**

<u>2024</u>	<u>COLLECTIONS</u>	<u>PAYROLL</u>
JULY	2,117.48	84,699.20
AUGUST	4,267.46	170,698.40
SEPTEMBER	3,870.93	154,837.20
OCTOBER	3,917.95	156,718.00
NOVEMBER	4,023.40	160,936.00
DECEMBER	3,530.93	141,237.20
TOTAL	<u>\$ 21,728.15</u>	<u>\$ 869,126.00</u>

<u>2025</u>	<u>COLLECTIONS</u>	<u>PAYROLL</u>
JANUARY	3,667.37	146,694.80
FEBRUARY	3,698.94	147,957.60
TOTAL	<u>\$ 7,366.31</u>	<u>\$ 294,652.40</u>

TAX CREDITS TO KING GROUP & TRESICAL

• Startup in 1st Quarter 2025

• 32 employees & \$2.0 Mil payroll

Oakwood Income & Net Profit Tax Rates	Oakwood Revenues
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2025 Year End (1 st Year)	
\$2.0 Mil payroll:	\$2.0 M x 2 ½ % = \$50,000 x 50% = \$25,000
\$1.0 Mil net profit:	\$1.0 M x 2 ½ % = \$25,000 x 50% = <u>\$12,500</u>
	\$37,500

For the 1st seven years of this Agreement, 50% of JCTC goes to Oakwood, 50% goes to King Group/TresCal, to a maximum of \$350,000.00 to be shared as agreed upon by King Group and TresCal.
For the 1st 5 years of this Agreement, 50% of net profit goes to Oakwood, and 50% of net profit goes to TresCal. King Group gets nothing. After 5 years Oakwood gets it all

Oakwood
Revenues

2026 Year End (2 nd year)	
\$3.0 Mil payroll:	\$ 37,500
\$2.0 Mil net profit:	<u>\$ 25,000</u>
	\$ 62,500

Oakwood
Revenues

2030 Year End (6 th year)	
\$3.5 Mil payroll:	\$ 43,750
\$4.0 Mil net profit:	<u>\$100,000</u>
	\$143,750

2027 Year End (3 rd Year)	
\$3.0 Mil payroll:	\$ 37,500
\$3.0 Mil net profit:	\$ 37,500
	\$ 75,000

2031 Year End (7 th year)	
\$3.5 Mil payroll:	\$ 43,750
\$4.0 Mil net profit:	<u>\$100,000</u>
	\$143,750

2028 Year End (4 th year)	
\$3.0 Mil payroll:	\$ 37,500
\$3.0 Mil net profit:	<u>\$ 37,500</u>
	\$ 75,000

2032 Year End (8 th year)	
\$3.5 Mil payroll:	\$ 87,500
\$4.0 Mil net profit:	\$100,000
	\$187,500

2029 Year End (5 th year)	
\$3.5 Mil payroll:	\$ 43,750
\$4.0 Mil net profit:	<u>\$ 50,000</u>
	\$ 93,750

From year 2032 all revenues go to Oakwood.