

## SPECIAL MEETING OF CITY COUNCIL

TO: THE HONORABLE PRESIDENT AND MEMBERS OF MASSILLON CITY COUNCIL

Ladies and Gentlemen:

A **Special Meeting** of the City Council of the City of Massillon, Ohio, is hereby called. This meeting shall be held in Massillon City Council Chambers at City Hall on Thursday August 26, at 8:00 A.M. for the purpose of: \_\_\_\_\_

*Passed*  
1. ROLL CALL

2. INTRODUCTION OF ORDINANCE NO. 167 - 1999 (See attached)

3. ADJOURNMENT

On this 24<sup>th</sup> Day of August, 1999

CC: MAYOR  
DIRECTOR OF SERVICE & SAFETY  
LAW DIRECTOR  
AUDITOR  
CITY ENGINEER  
PLANNING DEPARTMENT

*Francis Hinchelliff*

Section 731.46 Revised Code

"The Council of a municipal corporation shall not be required to hold more than one regular meeting in each week; and the meetings may be held at such time and place as may be prescribed by ordinance and shall at all times be open to the public; and the Mayor or any three members may call special meetings upon at least twelve hours notice to each member, served personally or left at his usual place of residence."

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DATE: August 26, 1999

CLERK: SHARON HOWELL

CITY OF MASSILLON, OHIO

COUNCIL CHAMBERS

LEGISLATIVE DEPARTMENT

ORDINANCE NO. 167 - 1999

BY: COMMUNITY DEVELOPMENT & ANNEXATION COMMITTEE

TITLE: AN ORDINANCE authorizing and directing the Mayor to enter into an agreement with Sterilite Corporation of Ohio, providing for the adoption of a project which will expand their facility and create employment opportunities within the City of Massillon Enterprise Zone, and declaring an emergency.

WHEREAS, the City of Massillon has encouraged the development of real property and the acquisition of personal property located in the area designated as an Enterprise Zone; and

WHEREAS, Sterilite Corporation of Ohio is proposing to construct a new 427,000 square foot addition to its existing facility at 4495 Sterilite Avenue, S.E. within the Massillon Enterprise Zone, at a total combined investment of Seventeen Million Dollars (\$17,000,000.00), (hereinafter the "Project"), provided that the appropriate development incentives are available to support the economic viability of said Project; and

WHEREAS, the Council of the City of Massillon, Ohio, (hereinafter "Council") by Ordinance No. 163-1994, adopted on July 18, 1994, and as amended by Ordinance No. 57-1998, adopted March 2, 1998 and as amended by Ordinance No. 43 - 1999, adopted March 1, 1999, has designated an area of the City as an "Enterprise Zone" pursuant to Chapter 5709 of the Ohio Revised Code; and

WHEREAS, effective September 12, 1994, and as amended on March 13, 1998, and as amended on March 9, 1999, the Director of Development of the State of Ohio has determined that the aforementioned area designated in said Ordinance No. 163 - 1994 contains the characteristics set forth in 5709.61(A) of the Ohio Revised Code, and has certified said area as an Enterprise Zone under Chapter 5709; and

WHEREAS, the City of Massillon, having the appropriate authority for the stated type of project is desirous of providing Sterilite Corporation of Ohio with the incentives available for development of the Project in said Enterprise Zone, under Chapter 5709 of the Ohio Revised Code; and

WHEREAS, Sterilite Corporation of Ohio has submitted a proposed agreement application, herein attached as Exhibit "A", to the City of Massillon, Ohio, requesting that the incentives available for development within the Enterprise Zone be approved for the Project; and

WHEREAS, the Mayor of the City of Massillon, Ohio, has investigated the application submitted by Sterilite Corporation of Ohio and has recommended approval of the same to the Council on the basis that the company is qualified by financial responsibility and business experience to create employment opportunities in said Enterprise Zone and to improve the economic climate of the City of Massillon; and

WHEREAS, the project site is located in the Perry Local School District and the Massillon Board of Education has been notified in accordance with Section 5709.83 and have been given a copy of the application.

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF MASSILLON, STATE OF OHIO, THAT:

Section 1:

The Council of the City of Massillon, Ohio does hereby authorize and direct the Mayor to enter into an agreement, attached hereto as Exhibit "A" and incorporated herein by reference, with Sterilite Corporation of Ohio providing for the adoption of a project which will expand their facility and preserve employment opportunities within the City of Massillon Enterprise Zone.

Section 2:

This Ordinance is declared to be an emergency measure immediately necessary for the preservation of the health, safety and welfare of the City of Massillon, Ohio and for the further reason that approval of said agreement is necessary so as to maximize the investment that will be made by Sterilite Corporation of Ohio within the City of Massillon, Ohio. Provided it receives the affirmative vote of two-thirds of the elected members to Council it shall take effect and be in force immediately upon its passage and approval by the Mayor. Otherwise it shall take effect and be in force from and after the earliest period allowed by law.

PASSED IN COUNCIL THIS \_\_\_\_\_ DAY OF \_\_\_\_\_ 1999

APPROVED: \_\_\_\_\_  
SHARON HOWELL, CLERK OF COUNCIL    DENNIS D. HARWIG, PRESIDENT

APPROVED: \_\_\_\_\_  
FRANCIS H. CICCHINELLI, JR., MAYOR

## CITY OF MASSILLON, OHIO

Request for Legislation to: Community Development & Annexation Committee

Request for Legislation for: August 26, 1999 Council Meeting

Requested by: Aane Aaby, Community Development Director

Approved by: Francis Highmiller, Jr. 8-24-99

Subject: Enterprise Zone Agreement: Sterilite Corporation Phase IV Expansion

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The Sterilite Corporation of Ohio is planning to expand its manufacturing and warehouse operations through the construction of a new 427,000 square foot addition to its existing facility located at 4495 Sterilite Avenue, S.E. The company proposes to invest \$17,000,000 on this expansion project. Sterilite Corporation will be adding 35 new jobs over a three year period. The company presently has 451 existing employees.

The company is applying to the City for a 10 year, 75% Enterprise Zone tax exemption on both real and personal property improvements at the project site.

The project site is located within the Perry Local School District. In accordance with the provisions of the Ohio Enterprise Zone Program, the City has provided notification of the tax exemption request to the school district.

I am requesting Council authorization and approval of the proposed Enterprise Zone Agreement, a copy of which is attached. Thank you for your review and consideration of this request. If you have any questions or would like any additional information regarding this matter, please contact me at your convenience.

## **OHIO ENTERPRISE ZONE AGREEMENT**

**This Agreement** made and entered into by and between the City of Massillon, Ohio, a municipal corporation, with its main offices located at One James Duncan Plaza, Massillon, Ohio 44646 (hereinafter referred to as "City of Massillon"), and Sterilite Corporation of Ohio., an Ohio Corporation with its main offices currently located at 30 Scales Lane, Townsend, MA 01469 (hereinafter referred to as the "Enterprise").

### **WITNESSETH:**

**Whereas**, the City of Massillon has encouraged the development of real property and the acquisition of personal property located in the area designated as an Enterprise Zone; and

**Whereas**, the Enterprise is desirous of expanding its facility at 4495 Sterilite Avenue, S.E., located within the Massillon Enterprise Zone, through the construction of a new four hundred twenty-seven thousand (427,000) square foot building addition, enabling the company to enlarge its manufacturing and warehouse space (hereinafter referred to as the "Project"), provided that the appropriate development incentives are available to support the economic viability of said Project; and

**Whereas**, the Council of the City of Massillon, Ohio (hereinafter "Council") by Ordinance No. 163-1994, adopted on July 18, 1994, and as amended by Ordinance No. 57-1998, adopted on March 2, 1998, and as amended by Ordinance No. 43-1999, adopted on March 1, 1999, has designated an area of the City as an "Enterprise Zone" pursuant to Chapter 5709 of the Ohio Revised Code; and

**Whereas**, effective September 12, 1994, and as amended on March 13, 1998 and on March 9, 1999, the Director of Development of the State of Ohio has determined that the aforementioned area designated in said Ordinance No. 163-1994, Ordinance No. 57-1998, and Ordinance No. 43-1999 contains the characteristics set forth in 5709.61 (A) (1) (a) and (e) of the Ohio Revised Code, and has certified said area as an Enterprise Zone under Chapter 5709; and

**Whereas**, the City of Massillon, having the appropriate authority for the stated type of project, is desirous of providing the Enterprise with the incentives available for development of the Project in the said Enterprise Zone, under Chapter 5709 of the Ohio Revised Code; and

**Whereas**, the Enterprise has submitted a proposed agreement application, herein attached as Exhibit A, (hereinafter referred to as the "Application") to the City of Massillon, Ohio, requesting that the incentives available for development within the Enterprise Zone be approved for the Project; and

**Whereas**, the Enterprise has remitted the required state application fee of \$500.00 made payable to the Ohio Department of Development with the application to be forwarded with the final agreement; and

**Whereas**, the Mayor of the City of Massillon, Ohio, has investigated the Application submitted by the Enterprise and has recommended approval of the same to the Council on the basis that the enterprise is qualified by financial responsibility and business experience to create and preserve employment opportunities in said Enterprise Zone and to improve the economic climate of the City of Massillon; and

**Whereas**, the project site as proposed by the Enterprise is located in the Perry Local School District and the Board of Education of said district and any applicable Joint Vocational School District have been notified in accordance with Section 5709.83 and been given a copy of the Application; and

**Whereas**, pursuant to Section 5709.62(C) and in conformance with the format required under Section 5709.631 of the Ohio Revised Code, the parties hereto desire to set forth their agreement with respect to matters hereinafter contained.

**Now, therefore**, in consideration of the mutual covenants herein contained and the benefit to be derived by the parties from the execution hereof, the parties herein agree as follows:

**Section I:**

The Enterprise shall undertake the expansion of its facility at 4495 Sterilite Avenue, S.E., through the construction of a new four hundred twenty-seven thousand (427,000) square foot building addition, enabling the company to enlarge its manufacturing and warehouse space. The Project Site is a \_\_\_\_\_ acre site known as and being \_\_\_\_\_ in the City of Massillon, Stark County, Ohio.

In addition, the Enterprise shall also purchase and install new machinery and equipment including, but not limited to, injection molding machinery.

The Project will involve a total investment by the Enterprise of (\$17,000,000) Seventeen Million Dollars , plus or minus 10%, at the project site. Included in this investment are (\$600,000) Six Hundred Thousand Dollars for land acquisition; (\$8,400,000) Eight Million Four Hundred Thousand Dollars for building additions and new construction; (\$5,000,000) Five Million Dollars to purchase first used machinery and equipment; and (\$3,000,000) Three Million Dollars for increases in inventory levels.

Furthermore, the Enterprise has reported that its existing base level of inventory as listed in the personal property tax return for the tax year (stated in average \$ value per most recent 12 month period) in which the agreement is entered into is (\$5,000,000) Five Million Dollars.



The Project will begin in September 1999, and all acquisition, construction, and installation will be completed by August 2002.

The total investment of this Expansion Project is greater than 10% of the market value of the facility assets already owned at the site prior to such expenditures as evidenced in Exhibit A; and as such, the City of Massillon hereby determines that the Project is eligible for the tax incentives and other benefits as described in this Agreement.

If, at any time, The Enterprise determines that it will not undertake all the improvements set forth in this Section I, or otherwise desires to modify the Project, the enterprise will notify the City of Massillon, stating the reasons for its determination. The parties will thereupon confer to discuss the effect of the enterprise's determination on the tax exemptions provided herein and to amend or terminate this Agreement accordingly. In no event shall any such amendment operate to revoke retroactively the tax exemptions provided herein.

## **Section 2:**

The Enterprise shall create within a time period not exceeding 36 months after the commencement of construction of the aforesaid addition to the facility, the equivalent of 35 new full-time permanent job opportunities.

The Enterprise's schedule for hiring is as follows: create -10- new full-time permanent jobs in year one; create 15 new full-time permanent jobs in year two; and create 10 new full-time permanent jobs in year three. The job creation period begins September 30, 1999 and all jobs will be in place by September 30, 2002.

The Enterprise currently has 302 full-time permanent employees and 149 contract employees at the project site. In total, the Enterprise has 302 full-time permanent employees and 149 contract employees in the State of Ohio.

The increase in the number of employees will result in approximately (\$1,500,000) One Million Five Hundred Thousand Dollars of additional annual payroll for the Enterprise. As stated above, all new jobs created will be full-time permanent jobs.

## **Section 3:**

The Enterprise shall provide to the proper Tax Incentive Review Council any information reasonably required by the council to evaluate the enterprise's compliance with the agreement, including returns filed pursuant to section 5711.02 of the Ohio Revised code if requested by the council. The Enterprise shall also be required to supply a copy of the Ohio Department of Taxation State Tax return form 913 to the Tax Incentive Review Council for each year the agreement is in effect or required to be reviewed.

#### **Section 4:**

The City of Massillon hereby grants a tax exemption pursuant to Section 5709.62 for eligible new tangible personal property acquired in conjunction with the Project, including but not limited to, injection molding machinery, a water and chilling system, and a material handling system. This tax exemption shall be at the rate of 75% on all machinery and equipment, as well as increases in inventory over the base level, acquired as part of the Project. Each identified project improvement will receive a ten year exemption period. The exemption commences the first year for which the tangible personal property would first be taxable were that property not exempted from taxation. No exemption shall commence after December 31, 2002 nor extend beyond December 31, 2112.

#### **Section 5:**

The City of Massillon hereby grants The Enterprise a tax exemption for real property improvements made to the Project Site pursuant to Section 5709.62 of the Ohio Revised Code. This tax exemption shall be at the rate of 75%. Each identified project improvement will receive a ten year exemption period. The exemption commences the first year for which the real property exemption would first be taxable were that property not exempted from taxation. No exemption shall commence after December 31, 2002, nor extend beyond December 31, 2012.

The Enterprise must file the appropriate tax forms (DTE 23) with the County Auditor and (#913) with the State Department of Taxation to effect and maintain the exemptions covered in the agreement. The #913 Ohio tax form must be filed annually.

#### **Section 6:**

Waivers under section 5709.633 of the revised code: not applicable.

#### **Section 7**

The Enterprise shall pay to the City of Massillon an annual monitoring fee of (\$500) Five Hundred Dollars for each year the agreement is in effect. The fee shall be made payable to the City of Massillon and shall be paid by certified check and delivered to the Mayor by March 31 of each year that the fee is due and payable. This fee shall be deposited in a special fund created for such purpose and shall be used exclusively for the purpose of complying with section 5709.68 of the revised code and by the tax incentive review council created under section 5709.85 of the revised code exclusively for the purposes of performing the duties prescribed under that section.



#### **Section 8:**

The Enterprise shall pay such real and tangible personal property taxes as are not exempted under this agreement and are charged against such property and shall file all tax reports and returns as required by law. If the enterprise fails to pay such taxes or file such returns and reports, all incentives granted under this agreement are rescinded beginning with the year for which such taxes are charged or such reports or returns are required to be filed and thereafter.

#### **Section 9:**

The City of Massillon shall perform such acts as are reasonably necessary or appropriate to effect, claim, reserve, and maintain exemptions from taxation granted under this Agreement including, without limitation, joining in the execution of all documentation and providing any necessary certificates required in connection with such exemptions.

#### **Section 10:**

If for any reason the Enterprise Zone designation expires, the Director of the Ohio Department of Development revokes certification of the zone, or the City of Massillon revokes the designation of the zone, entitlements granted under this agreement shall continue for the number of years specified under this agreement, unless The Enterprise materially fails to fulfill its obligations under this Agreement and the City of Massillon terminates or modifies the exemptions from taxation under this agreement.

#### **Section 11:**

If The Enterprise materially fails to fulfill its obligations under this Agreement, or if the City of Massillon determines that the certification as to delinquent taxes required by this agreement is fraudulent, the City of Massillon may terminate or modify the exemptions from taxation granted under this Agreement.

#### **Section 12:**

The Enterprise hereby certifies that at the time this agreement is executed, The Enterprise does not owe any delinquent real or tangible personal property taxes to any taxing authority in the State of Ohio, and does not owe delinquent taxes for which The Enterprise is liable under Chapter 5733., 5735., 5739., 5741., 5743., 5747., or 5753. of the Revised Code, or, if such delinquent taxes are owed, The Enterprise 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 of bankruptcy under 11 U.S.C.A. 101, et seq., or such a petition has been filed against The Enterprise. For the purposes of the certification, delinquent taxes are taxes that remain unpaid on the latest day prescribed for payment without penalty under the chapter of the Revised code governing payment of those taxes.

**Section 13:**

The Enterprise affirmatively covenants that it does not owe: (1) any delinquent taxes to the State of Ohio or a political subdivision of the State; (2) any moneys to the State or a state agency for the administration or enforcement of any environmental laws of the State; and (3) any other moneys to the State, a state agency or a political subdivision of the State that are past due, whether the amounts owed are being contested in a court of law or not.

**Section 14:**

The Enterprise and the City of Massillon acknowledge that this Agreement must be approved by formal action of the legislative authority of the City of Massillon as a condition for the agreement to take effect. This Agreement takes effect upon such approval.

**Section 15:**

The City of Massillon has developed a policy to ensure recipients of Enterprise Zone tax benefits practice non-discriminating hiring in its operations. By executing this agreement, The Enterprise is committing to following non-discriminating hiring practices acknowledging that no individual may be denied employment solely on the basis of race, religion, sex, disability, color, national origin, or ancestry.

**Section 16:**

Exemptions from taxation granted under this agreement shall be revoked if it is determined that The Enterprise, any successor enterprise, or any related member (as those terms are defined in Section 5709.61 of the Ohio Revised Code) has violated the prohibition against entering into this agreement under Division (E) of Section 3735.671 or Section 5709.62 of the Ohio Revised Code prior to the time prescribed by that division or either of those sections.

**Section 17:**

This Agreement is not transferable or assignable without the express, written approval of the City of Massillon.

**Section 18:**

The Enterprise affirmatively covenants that it has made no false statements to the State or local political subdivision in the process of obtaining approval for the Enterprise Zone incentives. If any representative of The Enterprise has knowingly made a false statement to the State or local political subdivision to obtain the Enterprise Zone

incentives, the Enterprise shall be required to immediately return all benefits received under the Enterprise Zone Agreement pursuant to ORC Section 9.66(C)(2) and shall be ineligible for any future economic development assistance from the State, any state agency, or a political subdivision pursuant ORC 9.66(C)(1). Any persons who provides a false statement to secure economic development assistance may be guilty of falsification, a misdemeanor of the first degree, pursuant ORC 2931.13(D)(1), which is punishable by a fine of not more than \$1,000 and/or a term of imprisonment of not more than six months.

In Witness Whereof, the City of Massillon, Ohio, by Francis H. Cicchinelli, Jr., its Mayor, and pursuant to Ordinance No. \_\_\_\_ -1999, has caused this instrument to be executed this \_\_\_\_ day of \_\_\_\_\_, 1999; and Sterilite Corporation of Ohio, by Steven L. Stone, its President, has caused this instrument to be executed this \_\_\_\_ day of \_\_\_\_\_, 1999.

**WITNESSED BY:**

**THE CITY OF MASSILLON, OHIO**

\_\_\_\_\_

\_\_\_\_\_  
Francis H. Cicchinelli, Jr., Mayor

**WITNESSED BY:**

**STERILITE CORPORATION OF OHIO**

\_\_\_\_\_

\_\_\_\_\_  
Steven L. Stone, President

Approved as to form and legal sufficiency:

\_\_\_\_\_  
John D. Ferrero, Jr., Director of Law  
City of Massillon, Ohio

**OHIO DEPARTMENT OF DEVELOPMENT  
OHIO ENTERPRISE ZONE PROGRAM**

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**PROPOSED AGREEMENT BETWEEN LOCAL GOVERNMENT OR COUNTY &  
ENTERPRISE PROPOSAL for Tax abatement Incentive Agreement Between the City of  
Massillon located in the County of Stark and Sterilite Corporation of Ohio  
(Enterprise)**

1. a. Name\* of business, home or main office address, contact person, and telephone number (attach additional pages if multiple enterprise participants).

<u>Sterilite Corporation of Ohio</u> enterprise name	<u>Steven L. Stone, President</u> contact person
<u>Box 524</u>	<u>978-597-1121</u> telephone number
<u>Townsend, MA 01469</u> address	

- b. Project Site:

<u>Sterilite Corporation of Ohio</u> 4495 Sterilite Ave., SE Massillon, OH 44646 address	<u>Jeff Hendershot, Plant Manager</u> contact person <u>330-830-0880</u> telephone number
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2. a. Nature of business (manufacturing, warehousing, wholesale or retail stores, or other).  
Manufacturing

- b. List primary 4 digit Standard Industrial Code (SIC) # 3079  
Business may list other relevant SIC numbers.

- c. If a consolidation, what are the components of the consolidation? (must itemize the location, assets, and employment positions to be transferred)

None

- d. Form of business of enterprise (corporation, partnership, or other).

Corporation

3. Name of principal owner(s) of the business (attach list if necessary).

Sterilite Corporation (100% Owner)

Albert Stone, David M. Stone, Steven L. Stone, Principals

4. Is business seasonal in nature? Yes \_\_\_\_\_ No x

5. a. State the enterprise's current employment level at the proposed project site:

FTE 302 Sterilite Employees and 149 contracted employees  
as of July 3, 1999

- b. Will the project involve the relocation of employment positions or assets from one Ohio location to another? Note that relocation projects are restricted in non-distress based Ohio Enterprise Zones. A waiver from the Director of the Ohio Department of Development is available for special limited circumstances. The business and local jurisdiction should contact ODOT early in the discussions.

Yes \_\_\_\_\_ No x

- c. If yes, state the locations from which employment positions or assets will be relocated and the location to where the employment positions or assets will be located:

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

- d. State the enterprise's current employment level in Ohio (itemized for full and part-time and permanent and temporary employees):

FTE 302 Sterilite Employees and 149 contracted employees  
as of July 3, 1999

- e. State the enterprise's current employment level for each facility to be affected by the relocation of employment positions or assets: N/A

- f. What is the projected impact of the relocation, detailing the number and type of employees and/or assets to be relocated? N/A

\_\_\_\_\_

6. a. Has the Enterprise previously entered into an Enterprise Zone Agreement with the local legislative authorities at any site where the employment or assets will be relocated as a result of this proposal? Yes \_\_\_\_\_ No x (see 6b)

- b. If yes, list the local legislative authorities, date, and term of the incentives for each Enterprise Zone Agreement: There is presently an agreement for  
Phases I and II of this project with Perry  
Township and Stark County. There is also an  
agreement with City of Massillon for Phase II  
of the project.

7. Does the Enterprise owe:

- a. Any delinquent taxes to the State of Ohio or a political subdivision of the state?  
Yes \_\_\_\_\_ No x
- b. Any moneys to the State or a state agency for the administration or enforcement of any environmental laws of the State? Yes \_\_\_\_\_ No x
- c. Any other moneys to the State, a state agency or a political subdivision of the State that are past due, whether the amounts are being contested in a court of law or not?  
Yes \_\_\_\_\_ No x
- d. If yes to any of the above, please provide details of each instance including but not limited to the location, amount and/or case identification numbers (add additional sheets if necessary).

\_\_\_\_\_

\_\_\_\_\_

8. Project Description (attach additional pages if necessary): a 427,000 sq.ft  
factory/warehouse addition considered as Phase IV  
to the original plans of 1996

\_\_\_\_\_

\_\_\_\_\_

9. Project will begin \_\_\_\_\_ September \_\_\_\_\_, 1999 and be completed  
\_\_\_\_\_ August \_\_\_\_\_, <sup>2002</sup> provided a tax exemption is provided.

10. a. Estimate the number of new employees the business intends to hire at the facility that is the project site (job creation projection must be itemized by full and part-time and permanent and temporary): \_\_\_\_\_  
451 currently employed; expect to add 25-30 personnel

\_\_\_\_\_

- b. State the time frame for this projected hiring: 24-36 ~~24-36~~ months
- c. State proposed schedule for hiring (itemize by full and part-time and permanent and temporary employees): Phase IV hiring will begin in the First  
Quarter of the Year 2000.



11. a. Estimate the amount of annual payroll such new employees will add \$ 1,500,000  
(new annual payroll must be itemized by full and part-time and permanent and  
temporary new employees). all full time equivalents

b. Indicate separately the amount of existing annual payroll relating to any job retention  
claim resulting from the project: \$ \_\_\_\_\_

12. Market value of the existing facility as determined for local property taxation.  
\$ 20,748,500

13. a. Business's total current investment in the facility as of the proposal's submission.  
\$ 48,000,000

b. State the business's value of on-site inventory required to be listed in the personal  
property tax return of the enterprise in the return for the tax year (stated in average  
\$ value per most recent 12 month period) in which the agreement is entered into  
(baseline inventory): \$ 5,000,000

14. An estimate of the amount to be invested by the enterprise to establish, expand, renovate  
or occupy a facility:

A. <del>Acquisition of Buildings</del> Land:	\$ <u>600,000</u>
B. Additions/New Construction:	\$ <u>8,400,000</u>
C. Improvements to existing buildings	\$ _____
D. Machinery & Equipment	\$ <u>5,000,000</u>
E. Furniture & Fixtures:	\$ _____
F. Inventory	\$ <u>3,000,000</u>

**Total New Project Investment:** \$ 17,000,000

15. a. Business requests the following tax exemption incentives: 75 % for 10  
years covering real and/or personal property including inventory as described above.  
Be specific as to type of assets, rate, and term.

b. Business's reasons for requesting tax incentives (be quantitatively specific as  
possible)

Our business requires us to be cost and price  
competitive nationally and internationally.

Submission of this application expressly authorizes the City of Massillon, Ohio to contact the Ohio Environmental Protection Agency to confirm statements contained within this application including item #7 and to review applicable confidential records. As part of this application, the business may also be required to directly request from the Ohio Department of Taxation or complete a waiver form allowing the Ohio Department of Taxation to release specific tax records to the local jurisdictions considering the incentive request.

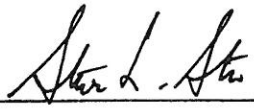
Applicant agrees to supply additional information upon request.

The applicant affirmatively covenants that the information contained in and submitted with this application is complete and correct and is aware of the ORC Sections 9.66(C)(1) and 2931.13(D)(1) penalties for falsification which could result in the forfeiture of all current and future economic development assistance benefit as well as a fine of not more than \$1,000 and/or a term of imprisonment of not more than six months.

Sterilite Corporation of Ohio  
Name of Enterprise

August 6, 1999

Date

  
Signature

Steven L. Stone, President  
Typed Name and Title

\* A copy of this proposal must be forwarded by the local government to the affected Board of Education along with notice of the meeting date on which the local government 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 legislative authorities considering the request.

\*\* Attach to Final Enterprise Zone Agreement as Exhibit A

\*\*\* An Application Fee of Five Hundred Dollars (\$500.00) must be submitted along with the Proposed Agreement for Enterprise Zone Tax Exemption (Application). This fee is payable by check or money order made payable to the Ohio Department of Development.

Please note that copies of this proposal must be included in the finalized Enterprise Zone Agreement and be forwarded to the Ohio Department of Taxation and the Ohio Department of Development within fifteen (15) days of final approval.

**APPLICATION TO THE CITY OF MASSILLON  
FOR A PROJECT AGREEMENT UNDER THE  
OHIO URBAN JOBS AND ENTERPRISE ZONE ACT**

**NARRATIVE STATEMENT**

**I. PROJECT DESCRIPTION:**

Briefly summarize the project proposed to be undertaken, including a description of the investments to be made by the applicant enterprises. Describe the project site, including the lot number, address, and area (in square feet or acres).

**Note:** If the project involves the relocation of all or part of the enterprise's operations from another county or municipal corporation in the State of Ohio, the Enterprise shall attach a statement detailing the reasons for the proposed relocation.

Construction of 427,000 square feet additional manufacturing and warehouse space to be referred to as Phase IV of the Enterprise Project

## II. PROJECT BUDGET

- A. NEW BUILDINGS (Provide a brief description of size, type, etc.)

Proposed Cost

- B. ADDITIONS (Provide a brief description of size, type, etc.)

Proposed Cost

Additional<sup>N</sup> space  
Land acquisition

\$8,400,000  
600,000

- C. IMPROVEMENTS TO EXISTING BUILDINGS  
(Provide an itemized description)

Proposed Cost

**D. MACHINERY AND EQUIPMENT**

**Proposed Cost**

1. Provide an itemized list of machinery, equipment, furniture, and fixtures to be purchased and installed at the project site and that will be subject to tax exemption under this Agreement.

2. Provide an itemized list of machinery, equipment, furniture, and fixtures used by the enterprise at another location in the State that will be relocated to the project site and that will not be exempted from taxation under this Agreement.

Injection Molding Machines

\$5,000,000

**E. INVENTORY**

**Proposed Cost**

List the value of inventory at the project site, including an itemization of the value of inventory held at another location in this state prior to the Agreement and to be relocated from that location to the project site; and the value of inventory held at the project site prior to the execution of the Agreement that will be not be exempted from taxation.

The inventory which is eligible for exemption is that amount or value of inventory in excess of the amount or value of inventory required to be listed in the personal property tax return for the tax year in which the Agreement is entered into.

### III. EMPLOYMENT

Describe the current workforce of the company, including annual payroll. Describe the impact that the project will have on the company's workforce, specifically, at the project site. List the total number of jobs to be created/and or retained as a result of the project, itemized as to the number of full-time, part-time, and temporary positions, and including a schedule of hiring, itemized by each type of position listed above (the suggested maximum job creation is 36 months). Provide estimates of the dollar amount of additional payroll attributable to each type of position to be created (i.e., full-time, part-time, and temporary).

Jobs retained as of 6/30/99:

Payroll	302
Contracted	<u>149</u>
	451

Jobs to be created:

Year 1	10
Year 2	15
Year 3	<u>10</u>
	35

Total jobs at the end of year 3: 486



#### IV. REQUEST FOR TAX EXEMPTION

Describe the type, amount, and term of tax exemption being requested for this project as follows:

- (1) An exemption for a specified number of years, not to exceed ten, of a specified portion, up to seventy-five per cent, of tangible personal property first used in business at the project site as a result of this Agreement. ("First used in business" means that the property referred to has not been used in business in this State by the enterprise that owns it, or by an enterprise that is an affiliate or subsidiary of such an enterprise, other than as inventory, prior to being used in business at the project site as a result of an Agreement.)
- (2) An exemption for a specified number of years, not to exceed ten, of a specified portion, up to seventy-five per cent, of real property constituting the project site.

In addition, provide a detailed explanation of the reasons why the proposed tax exemptions are necessary for the project. Provide any supporting financial information that would document the need for such tax exemptions. Using the attached forms, provide an analysis of the total taxes that would result from the project, both with and without the proposed tax exemptions. Summarize the benefits to the community as a result of the project.

OHIO DEPARTMENT OF DEVELOPMENT  
ENTERPRISE ZONE PROJECT TAX ANALYSIS

General Project Information

County: STARK Local Government Authority: MASSILLON  
Business: Sterilite Corporation Total Project Cost: \$17,000,000  
Total Current Real Property Tax of Business (at site): \_\_\_\_\_  
Total Current Tangible Personal Property Tax of Business (at site): \_\_\_\_\_

\* (Note, if not applicable to site, use within local jurisdiction):

Note, does the project involve relocation of any assets or jobs? \_\_\_\_\_ yes ☒ no

If yes, within local jurisdiction? \_\_\_\_\_ yes \_\_\_\_\_ no

within county? \_\_\_\_\_ yes \_\_\_\_\_ no

within State (distance \_\_\_\_\_ mi.) \_\_\_\_\_ yes \_\_\_\_\_ no

Does the project involve removal of any currently taxed assets (Real or Personal Property from the Tax Rolls?

Estimate real property tax loss \$ \_\_\_\_\_ yes ☒ no  
Estimate tangible personal tax loss \$ \_\_\_\_\_

Is there a local income tax? ☒ yes \_\_\_\_\_ no

If yes, please list income tax rate: 1.8 %

Note total number of new jobs projected - attributable to the project 35;

Note new payroll projected from the new job commitment \$1,500,000 x 1.8 % income tax rate = \$27,000  
New income tax generation

Enterprise Zone Manager or Authorized Signature \_\_\_\_\_ Date \_\_\_\_\_

1A. Total Project Costs receiving Real Property Exemption: \$8,400,000

Real Property Tax Matrix

Projected Tax Year	YR1	YR2	YR3	YR4	YR5	YR6	YR7	YR8	YR9	YR10
Estimated Value of Real Property Improvements	\$ 8,400,000	\$ 8,400,000	\$ 8,400,000	\$ 8,400,000	\$ 8,400,000	\$ 8,400,000	\$ 8,400,000	\$ 8,400,000	\$ 8,400,000	\$ 8,400,000
Exemption Schedule	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%
Exempted Value	\$ 6,300,000	\$ 6,300,000	\$ 6,300,000	\$ 6,300,000	\$ 6,300,000	\$ 6,300,000	\$ 6,300,000	\$ 6,300,000	\$ 6,300,000	\$ 6,300,000
Taxable Value	\$ 2,100,000	\$ 2,100,000	\$ 2,100,000	\$ 2,100,000	\$ 2,100,000	\$ 2,100,000	\$ 2,100,000	\$ 2,100,000	\$ 2,100,000	\$ 2,100,000
Assessment	35%	35%	35%	35%	35%	35%	35%	35%	35%	35%
Real Property Tax Rate (\$/1000)	62.75	62.75	62.75	62.75	62.75	62.75	62.75	62.75	62.75	62.75
Total Real Property Tax Foregone (Taxable Value x 35% + tax rate)	\$ 138,364	\$ 138,364	\$ 138,364	\$ 138,364	\$ 138,364	\$ 138,364	\$ 138,364	\$ 138,364	\$ 138,364	\$ 138,364
Net New Tax Revenue Taxable Value x 35% + tax rate)	\$ 46,121	\$ 46,121	\$ 46,121	\$ 46,121	\$ 46,121	\$ 46,121	\$ 46,121	\$ 46,121	\$ 46,121	\$ 46,121

Total Real Property Tax Foregone over Project Term:	\$ 1,383,638
Total New Real Property Tax Revenue generated over Project Term:	\$ 461,213

1B. Please calculate the annual net new Real Property Tax Revenue generated by the project. Subtract any real property tax revenue loss (page 1) 0 from the new real property tax generated \$461,213 (1A) to equal the net new annual real property increase (loss) \$461,213 to community.

## 2A. Total Project Costs Receiving Tangible Personal Property Exemptions

Note that because of depreciation of Tangible Personal Property by the business - these calculations must be repeated for each year during the term of the exemptions. The Business must supply the community with the annual estimates.

### Personal Property Tax Matrix

Projected Tax Year	YR1	YR2	YR3	YR4	YR5	YR6	YR7	YR8	YR9	YR10
Estimated Value of Tangible Personal Property	\$ 5,000,000	\$ 4,567,362	\$ 4,127,134	\$ 3,681,319	\$ 3,241,758	\$ 2,802,198	\$ 2,362,857	\$ 1,923,077	\$ 1,923,077	\$ 1,923,077
Exemption Schedule	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%
Exempted Value	\$ 3,750,000	\$ 3,425,522	\$ 3,095,351	\$ 2,760,989	\$ 2,431,319	\$ 2,101,649	\$ 1,772,143	\$ 1,442,308	\$ 1,442,308	\$ 1,442,308
Taxable Value	\$ 1,250,000	\$ 1,141,841	\$ 1,031,784	\$ 920,330	\$ 810,440	\$ 700,550	\$ 590,714	\$ 480,769	\$ 480,769	\$ 480,769
Assessment	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%
Tangible Personal Property Tax Rate	62.75	62.75	62.75	62.75	62.75	62.75	62.75	62.75	62.75	62.75
Total Tangible Property Tax Foregone (Exempted Value x Assessment x Tax Rate)	\$ 58,828	\$ 53,738	\$ 48,558	\$ 43,313	\$ 38,141	\$ 32,970	\$ 27,800	\$ 22,626	\$ 22,626	\$ 22,626
Net New Tangible Property Tax Revenue (Taxable Value x Assessment x Tax Rate)	\$ 19,609	\$ 17,913	\$ 16,186	\$ 14,438	\$ 12,714	\$ 10,990	\$ 9,267	\$ 7,542	\$ 7,542	\$ 7,542
Total Tangible Personal Property Tax Foregone over Project Term:	\$ 371,227									
Total Net New Tangible Personal Property Tax Revenue generated over Project Term:	\$ 123,742									

2B. Please calculate the annual net new Tangible Personal Property Tax Revenue generated by the project. Subtract any Tangible Personal Property tax revenue loss \$ 0 (page1) from the new Tangible Personal Property Tax generated \$123,742 (2A) to equal the net new annual Tangible Property increase (loss) \$123,742 to community.

CITY OF MASSILLON, OHIO

Request for Legislation to: Community Development & Annexation Committee

Request for Legislation for: August 26, 1999 Council Meeting

Requested by: Aane Aaby, Community Development Director

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

Subject: Enterprise Zone Agreement: Sterilite Corporation Phase IV Expansion

The Sterilite Corporation of Ohio is planning to expand its manufacturing and warehouse operations through the construction of a new 427,000 square foot addition to its existing facility located at 4495 Sterilite Avenue, S.E. The company proposes to invest \$17,000,000 on this expansion project. Sterilite Corporation will be adding 35 new jobs over a three year period. The company presently has 451 existing employees.

The company is applying to the City for a 10 year, 75% Enterprise Zone tax exemption on both real and personal property improvements at the project site.

The project site is located within the Perry Local School District. In accordance with the provisions of the Ohio Enterprise Zone Program, the City has provided notification of the tax exemption request to the school district.

I am requesting Council authorization and approval of the proposed Enterprise Zone Agreement, a copy of which is attached. Thank you for your review and consideration of this request. If you have any questions or would like any additional information regarding this matter, please contact me at your convenience.