

## AGENDA

DATE: OCTOBER 4, 1999  
PLACE: COUNCIL CHAMBERS  
TIME: 7:30 P.M.

1. ROLL CALL
2. INVOCATION - COUNCILMAN MIKE LOUDIANA
3. PLEDGE OF ALLEGIANCE
4. READING OF THE JOURNAL
5. REMARKS OF DELEGATIONS AND CITIZENS TO MATTERS ON THE AGENDA
6. INTRODUCTION OF ORDINANCES AND RESOLUTIONS

### ORDINANCE NO. 196 - 1999 BY: POLICE AND FIRE COMMITTEE

P AN ORDINANCE authorizing the Chief of Police of the City of Massillon to enter into a fiscal agreement with the United States Customs Service to provide for the reimbursement to the City of Massillon for overtime costs involved in conducting joint investigations, and declaring an emergency.

### ORDINANCE NO. 197 - 1999 BY: FINANCE COMMITTEE

SDH 501 AN ORDINANCE authorizing the Director of Public Service and Safety of the City of Massillon, Ohio, to submit to EPA/OWDA for the WPCLF Loan for Change Order #1 and any subsequent change orders that are necessary for the Fothergill-Belmont Sanitary Sewer Project, and declaring an emergency.  
Bryan

### ORDINANCE NO. 198 - 1999 BY: COMMUNITY DEVELOPMENT & ANNEXATION COMM

P AN ORDINANCE authorizing the Mayor of the City of Massillon to enter into an agreement with Hercules Engine Components LLC, providing for the adoption of a project which will establish a new facility and create employment opportunities within the City of Massillon Enterprise Zone, and declaring an emergency.

### ORDINANCE NO. 199 - 1999 BY: COMMUNITY DEVELOPMENT & ANNEXATION COMM

151 AN ORDINANCE authorizing the Mayor of the City of Massillon to enter into an agreement with Hercules Engine Components LLC, providing an economic development "inducement grant" to assist the company in relocating and expanding its operations in Massillon, and declaring an emergency.

### ORDINANCE NO. 200 - 1999 BY: RULES, COURTS & CIVIL SERVICE COMMITTEE

151 AN ORDINANCE amending Section 2(D) OCCUPATION LIST OF CLASS TITLES - HEALTH DEPARTMENT of Ordinance No. 127 - 1997 by repealing Section 2(D) OCCUPATION LIST OF CLASS TITLES - HEALTH DEPARTMENT, and enacting a new Section 2(D) OCCUPATION LIST OF CLASS TITLES - HEALTH DEPARTMENT, in the City of Massillon, Ohio, and declaring an emergency.

**ORDINANCE NO. 201 - 1999    BY: HEALTH, WELFARE & BUILDING REGULATIONS**

P  
AN ORDINANCE amending CHAPTER 147 "BOARD OF CONTROL" of the Codified Ordinances of the City of Massillon, by enacting a new Section 147.01 "Procedures for Determining the Lowest and Best Bids for the construction of Public Improvements", and declaring an emergency.

**ORDINANCE NO. 202 - 1999    BY: FINANCE COMMITTEE**

P  
AN ORDINANCE making certain appropriations from the unappropriated balance of the UDAG Towne Plaza B-81-AB-39-0097 Fund of the City of Massillon, Ohio, for the year ending December 31, 1999, and declaring an emergency.

7. UNFINISHED BUSINESS
8. PETITIONS AND GENERAL COMMUNICATIONS
9. BILLS, ACCOUNTS AND CLAIMS
10. REPORTS FROM CITY OFFICIALS

- A). MAYOR SUBMITS MONTHLY PERMIT REPORT FOR SEPTEMBER - 1999
- B). AUDITOR SUBMITS MONTHLY REPORT FOR SEPTEMBER - 1999

11. REPORTS OF COMMITTEES
12. RESOLUTIONS AND REQUESTS OF COUNCIL MEMBERS
13. CALL OF THE CALENDAR
14. THIRD READING ORDINANCES AND RESOLUTIONS

**ORDINANCE NO. 168 - 1999    BY: PUBLIC UTILITIES/GOLF COURSE COMMITTEE**

P  
AN ORDINANCE authorizing the Director of Public Service and Safety to enter into a renewal of a franchise agreement with Massillon Cable T.V., Inc. for the operation of a television cable system within the City of Massillon.

**ORDINANCE NO. 179 - 1999    BY: COMMUNITY DEVELOPMENT & ANNEXATION COMM**

Tabled  
to Oct. 18.  
AN ORDINANCE authorizing the Zoning Inspector of the City of Massillon, Ohio, to issue a conditional zoning certificate to MB Operating to drill a gas and oil well, which shall be known as the Morelli Unit 2D, on Part of Out Lot 555, located on the north side of Hankins Road between Wales Road and Valerie Avenue, and declaring an emergency.

**15. SECOND READING ORDINANCES AND RESOLUTIONS**

**ORDINANCE NO. 191- 1999    BY: COMMUNITY DEVELOPMENT & ANNEXATION COMMITTEE**

Amended  
0-1 Office  
AN ORDINANCE amending Section 1151.02 of the Massillon Code of 1985 rezoning certain tracts of land from B-1 Neighborhood Business to B-2 Central Business, and declaring an emergency.

OCTOBER 4, 1999

**ORDINANCE NO. 192 - 1999 BY: COMMUNITY DEVELOPMENT & ANNEXATION COMMITTEE**

2<sup>nd</sup>

**AN ORDINANCE** amending Section 1151.02 of the Massillon Code of 1985 rezoning certain tracts of land from Tuscarawas Township to Massillon Zoning, and declaring an emergency.

**ORDINANCE NO. 193 - 1999 BY: COMMUNITY DEVELOPMENT & ANNEXATION COMMITTEE**

JP  
6-3  
JH

**AN ORDINANCE** authorizing the Zoning Inspector of the City of Massillon, Ohio, to issue a conditional zoning certificate to Petro Evaluation Services, Inc. for a permit to drill a gas and oil well, which shall be known as the Schalmo Unit No. 1-K, located on a 22.643 acre parcel on the west side of Candell Street S.E., south of Forest Avenue S.E., and declaring an emergency.

→ Pet copy in Forest Hills Sub.

**16. NEW AND MISCELLANEOUS BUSINESS**

**17. REMARKS OF DELEGATIONS AND CITIZENS TO MATTERS NOT ON THE AGENDA**

**18. ADJOURNMENT**

**SHARON HOWELL**

**THERE IS ARE TWO PUBLIC HEARINGS THIS EVENING**

**7:00 P.M. ORDINANCE NO. 168 - 1999**

**7:15 P.M. ORDINANCE NO. ~~179~~ - 1999**

**193 -**

**ALSO, THERE WILL BE A COMMUNITY DEVELOPMENT MEETING AT 6:30 P.M. REGARDING TAX ABATEMENT FOR SCHOOL DISTRICTS.**

DATE: October 4, 1999

CLERK: SHARON HOWELL

CITY OF MASSILLON, OHIO

COUNCIL CHAMBERS

LEGISLATIVE DEPARTMENT

ORDINANCE NO. 196 - 1999

BY: POLICE AND FIRE COMMITTEE

TITLE: AN ORDINANCE authorizing the Chief of Police of the City of Massillon to enter into a fiscal agreement with the United States Customs Service to provide for the reimbursement to the City of Massillon for overtime costs involved in conducting joint investigations, and declaring an emergency.

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, hereby determines it to be necessary in the public health, safety and welfare to authorize the Chief of Police to enter into a fiscal agreement with the United States Customs Service to provide for the reimbursement to the City of Massillon for overtime costs involved in conducting joint investigations.

Section 2:

The Chief of Police of the City of Massillon, Ohio, is hereby authorized to enter into a fiscal agreement with the United States Customs Service to provide for the reimbursement to the City of Massillon for overtime costs involved in conducting joint investigations.

Section 3:

The Chief of Police is further authorized to enter into successor agreements during the life of the joint investigations.

Section 4:

This Ordinance is hereby declared to be an emergency measure necessary for the immediate preservation of the health, safety, and welfare of the community, and for the additional reason that reimbursement to the City of Massillon for overtime costs involved in conducting joint investigations with the United States Customs Service is necessary. 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

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

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

DATE: October 4, 1999

CLERK: SHARON HOWELL

CITY OF MASSILLON, OHIO

COUNCIL CHAMBERS

LEGISLATIVE DEPARTMENT

ORDINANCE NO. 197 - 1999

BY: FINANCE COMMITTEE

TITLE: AN ORDINANCE authorizing the Director of Public Service and Safety of the City of Massillon, Ohio, to submit to EPA/OWDA for the WPCLF Loan for Change Order #1 and any subsequent change orders that are necessary for the Fothergill-Belmont Sanitary Sewer Project, and declaring an emergency.

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, hereby finds that it is necessary for the Director of Public Service and Safety of the City of Massillon, Ohio, to submit to EPA/OWDA for the WPCLF Loan for Change Order #1 and any subsequent change orders that are necessary for the Fothergill-Belmont Sanitary Sewer Project.

Section 2:

The Director of Public Service and Safety is hereby authorized to submit to EPA/OWDA for the WPCLF Loan for Change Order #1 and any subsequent change orders that are necessary for the Fothergill-Belmont Sanitary Sewer Project. These change orders do not increase the amount of the loan but re-allocates funds from the contingency funds to the construction funds.

Section 3:

That this Ordinance is declared to be an emergency measure immediately necessary for the preservation of the health, safety and welfare of the community and for the further reason that said change orders are necessary for the disbursement of funds for the completion of the Fothergill-Belmont Sanitary Sewer Project that is currently under way. 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 \_\_\_\_\_ 1998

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

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

DATE: October 4, 1999

CLERK: SHARON HOWELL

CITY OF MASSILLON, OHIO

COUNCIL CHAMBERS

LEGISLATIVE DEPARTMENT

ORDINANCE NO. 198 - 1999

BY: COMMUNITY DEVELOPMENT & ANNEXATION COMMITTEE

TITLE: AN ORDINANCE authorizing and directing the Mayor of the City of Massillon to enter into an agreement with Hercules Engine Components LLC, providing for the adoption of a project which will establish a new 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, Hercules Engine Components LLC., is proposing to construct a new facility on a 2.50 acre site including a 10,000 square foot building addition and provision of a loading dock in Massillon at 2770 Erie Street South within the Massillon Enterprise Zone, and is proposing to establish a new facility to relocate its manufacturing operations, at a total combined investment of One Million Seven Hundred Ninety-Five Thousand Dollars (\$1,795,000.00), (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 Hercules Engine Components LLC with the incentives available for development of the Project in said Enterprise Zone, under Chapter 5709 of the Ohio Revised Code; and

WHEREAS, Hercules Engine Components LLC 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 the Hercules Engine Components LLC 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 Massillon City 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 Hercules Engine Components LLC providing for the adoption of a project which will establish a 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 the Hercules Engine Components LLC 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

## 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"), Hercules Engine Components LLC, a \_\_\_\_\_ Corporation with its main offices located at 151 Lennox Avenue, Massillon, Ohio 44646 (hereinafter referred to as "the Enterprise"); and Stoneham Associates, Inc., the Lessor, a \_\_\_\_\_ Corporation with its offices located at 4810 Munson Street, N.W., Canton, OH 44718 (hereinafter referred to as "the Lessor")

### 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 occupying a vacant facility within the Enterprise Zone through the acquisition, renovation, and expansion of an existing building located at 2770 Erie Avenue, S.W., enabling the Enterprise to operate and expand its start-up business operations remanufacturing engine blocks and heads, as well as to preserve and create employment opportunities (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 and the Lessor 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 and the Lessor have 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 the Lessor, 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 and the Lessor is located in the Massillon City 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 and the Lessor shall undertake the Project to occupy a vacant facility within the Enterprise Zone through the acquisition, renovation, and expansion of an existing building located at 2770 Erie Avenue, S.W., enabling the Enterprise to operate and expand its start-up business operations remanufacturing engine blocks and heads. The Project will involve a total investment by the Enterprise and the Lessor of (\$1,795,000) one million seven hundred ninety-five thousand dollars , plus or minus 10%, at the proposed project site, further described as follows:

1. The acquisition by the Lessor of an existing 12,000 square foot existing metal and block industrial building located at 2770 Erie Avenue, S.W., known as and being Part of Out Lot 545 (2.5 acres), in the City of Massillon, Stark County, Ohio, (Parcel 06-15852), at a total cost of (\$345,000) three hundred forty-five thousand dollars.

2. The renovation of the existing building by the Lessor , including offices, new rest rooms, HVAC, new lighting and electrical improvements, at a total cost of (\$50,000) fifty thousand dollars.
3. The construction by the Lessor of a new 10,000 square foot addition to the existing building including a metal and block warehouse with dock at a total cost of (\$400,000) four hundred thousand dollars.
4. The purchase and installation by the Enterprise of machinery and equipment at the Project Site at a total cost of (\$25,000) twenty-five thousand dollars.
5. The investment by the Enterprise in new inventory at a total cost of (\$975,000) nine hundred seventy-five thousand dollars.

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 \$ 0.

The Project will begin in September 1999, and all acquisition, construction, and installation will be completed by June 30, 2000.

The total investment by the Enterprise and the Lessor in undertaking this Project and in occupying and improving these existing vacant facilities is greater than 20% of the market value of these facilities prior to such expenditures, 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 and the Lessor determines that it will not undertake all the improvements set forth in this Section 1, or otherwise desires to modify the Project, the Enterprise and the Lessor 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 12 new full-time permanent jobs and 1 new part time job at the Project Site.

The Enterprise's schedule for hiring is as follows: create -8- new full-time permanent jobs and -1- new part time permanent job in 1999; create -2- new full-time permanent jobs in 2000; create -1- new full-time permanent job in 2001; and create -1-

new full-time permanent job in 2002. The job creation period begins September, 1999 and all jobs will be in place by December 31, 2002.

The Enterprise is a start up company and has 0 full-time permanent employees and 0 part-time permanent employees either at the project site or in the State of Ohio.

The increase in the number of full time permanent employees will result in approximately (\$377,000) three hundred seventy-seven thousand dollars of additional annual payroll for the Enterprise. The increase in the number of part time permanent employees will result in approximately (\$10,000) ten thousand dollars of additional annual payroll for the Enterprise.

**Section 3:**

The Enterprise and the Lessor 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, machinery, equipment, furniture and fixtures. This tax exemption shall be at the rate of 75% on all machinery, equipment, furniture and fixtures, 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, 2001 nor extend beyond December 31, 2011.

**Section 5:**

The City of Massillon hereby grants the Enterprise and the Lessor 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, 2001, nor extend beyond December 31, 2011.

The Enterprise and the Lessor 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 and the Lessor 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 and/or the Lessor 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 and/or the Lessor 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 and the Lessor hereby certify that, at the time this agreement is executed, they do not owe any delinquent real or tangible personal property taxes to any taxing authority in the State of Ohio, and do not owe delinquent taxes for which the Enterprise and/or the Lessor 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 and/or the Lessor 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 and/or the Lessor. 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 and the Lessor affirmatively covenant that they do 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, the Lessor 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 and/or the Lessor, 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 and the Lessor affirmatively covenant that they have 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 and/or the Lessor has knowingly made a false statement to the State or local political subdivision to obtain the Enterprise Zone incentives, the Enterprise and/or the Lessor 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 Hercules Engine Components LLC, by Jack Dienes, its President, and Stoneham Associates, Inc., the Lessor, by Timothy Putman, 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:**

**HERCULES ENGINE COMPONENTS  
LLC**

\_\_\_\_\_

\_\_\_\_\_  
Jack Dienes, President

**WITNESSED BY:**

**STONEHAM ASSOCIATES, INC.**

\_\_\_\_\_

\_\_\_\_\_  
Timothy Putman, 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**

**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 Hercules Engine Components LLC  
Stoneham Associates Inc.  
(Enterprise)**

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

Hercules Engine Components LLC  
Stoneham Associates Inc.

Jack Dienes  
Tim Putman

enterprise name

contact person

HEC - 151 Lennox Ave, Massillon, OH

(330) 830-2498

SAI - 4810 Munson Ave, Canton

(330) 498-9485

telephone number

address

- b. Project Site:

2770 Erie St. South

Jack Dienes  
Tim Putman

contact person

Massillon, OH 44646

(330) 830-2498

(330) 498-9485

address

telephone number

2. a. Nature of business (manufacturing, warehousing, wholesale or retail stores, or other).

Distribution - Light Manufacturing

- b. List primary 4 digit Standard Industrial Code (SIC) # 3519, 3592, 3599, 3694,  
Business may list other relevant SIC numbers. 3714, 7538, 7689

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

N/A

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

HEC - Limited Liability Corporation

SAI - Ohio Corporation

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

HEC - Jack Dienes, Bruce Weick, FinCom

SAI - Tim Putnam, Paul Hartung III

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

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

-0-

- 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 ODOD 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:

N/A

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

"0" Start-up company

- 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

- b. If yes, list the local legislative authorities, date, and term of the incentives for each Enterprise Zone Agreement: N/A

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).

N/A

8. Project Description (attach additional pages if necessary): \_\_\_\_\_

See attached "Schedule A"

9. Project will begin September 15, 19 99 and be completed  
June 30, 2000 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): 12 full-time, 1 part-time

b. State the time frame for this projected hiring: 3 years.

c. State proposed schedule for hiring (itemize by full and part-time and permanent and temporary employees): 12/31/99 - 8 full-time, 1 part-time;  
12/31/00 - 10 full-time, 1 part-time; 12/31/01 - 11 full-time, 1 part-time  
12/31/02 - 12 full-time, 1 part-time

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

See attached "Schedule B"

- b. Indicate separately the amount of existing annual payroll relating to any job retention claim resulting from the project: \$ \_\_\_\_\_ -0- \_\_\_\_\_

12. Market value of the existing facility as determined for local property taxation.  
\$ 322,784.00

13. a. Business's total current investment in the facility as of the proposal's submission.  
\$ 345,000.00

- 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): \$ \_\_\_\_\_ -0- \_\_\_\_\_

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

A.	Acquisition of Buildings:	\$ <u>345,000.00</u>
B.	Additions/New Construction:	\$ <u>400,000.00</u>
C.	Improvements to existing buildings	\$ <u>50,000.00</u>
D.	Machinery & Equipment	\$ <u>25,000.00</u>
E.	Furniture & Fixtures:	\$ <u>-0-</u>
F.	Inventory	\$ <u>975,000.00</u>

**Total New Project Investment:** \$ 1,795,000.00

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)

Due to the financial requirements for improvements and additions  
to the existing facility, the lease rate would be prohibitive  
without tax incentives.

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.

Hercules Engine Components  
Stoneham Associates Inc.

August 27, 1999

Name of Enterprise

Date

*Jack R. Dienes Hercules  
ENGINE COMPONENTS*

Jack Dienes, President (HEC)

*Tim Putnam Pres. - Stoneham  
Associates, Inc.*

Tim Putnam, President (SAI)

Signature

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.

## SCHEDULE A

### 8) PROJECT DESCRIPTION

Hercules Engine Company, Canton, OH was dissolved in April 1999. Shortly thereafter the Senior Secured Lender, CIT Financial made a decision, to liquidate all of the assets at the Canton facility. Hercules Engine Components LLC was formed for the purpose of acquiring specific assets of Hercules Engine Company, necessary to service the aftermarket needs for the nearly 300,000 engines still in service.

Since the secured lender wishes to vacate the Canton facility, Hercules Engine Components is currently seeking warehouse and office space in the Stark County area for the operation of the new business. The acquisition included inventory trademarks, trade names, intellectual property and other ancillary equipment. The project will involve the transfer of material, equipment and office fixtures to the new facility. It is the intention of Hercules Engine Components to expand the business and operations by initiating a program to remanufacture blocks and heads.

A facility has been located in the City of Massillon at 2770 S. Erie Avenue. Unfortunately, this facility will require some improvements including a loading dock, office reconstruction, and a 10,000 sq. ft. addition. To financially justify the commitment of this move, substantial real estate and property tax incentives are required.

**HERCULES ENGINE COMPONENTS  
PAYROLL ESTIMATE**

**SCHEDULE B**

**ANNUAL (BASED ON DECEMBER 31, 1999 ESTIMATE)**

<b>YEAR</b>	<b>FULL-TIME EMPLOYEES</b>	<b>FULL-TIME PAYROLL</b>	<b>PART-TIME EMPLOYEES</b>	<b>PART-TIME PAYROLL</b>	<b>TOTAL EMPLOYEES</b>	<b>TOTAL PAYROLL</b>
1 1999	8	\$317,000.00	1	\$10,000.00	9	\$327,000.00
2 2000	10	\$337,000.00	1	\$10,000.00	11	\$347,000.00
3 2001	11	\$357,000.00	1	\$10,000.00	12	\$367,000.00
4 2002	12	\$377,000.00	1	\$10,000.00	13	\$387,000.00
5 2003	12	\$377,000.00	1	\$10,000.00	13	\$387,000.00
6 2004	12	\$377,000.00	1	\$10,000.00	13	\$387,000.00
7 2005	12	\$377,000.00	1	\$10,000.00	13	\$387,000.00
8 2006	12	\$377,000.00	1	\$10,000.00	13	\$387,000.00
9 2007	12	\$377,000.00	1	\$10,000.00	13	\$387,000.00
10 2008	12	\$377,000.00	1	\$10,000.00	13	\$387,000.00
<b>TOTAL</b>		<b>\$3,650,000.00</b>		<b>\$100,000.00</b>		<b>\$3,750,000.00</b>

## EXHIBIT C

### PROJECT DESCRIPTION (Narrative)

Hercules Engine Company, Canton, OH was dissolved in April 1999. Shortly thereafter the Senior Secured Lender, CIT Financial made a decision, to liquidate all of the assets at the Canton facility. Hercules Engine Components LLC was formed for the purpose of acquiring specific assets of Hercules Engine Company, necessary to service the aftermarket needs for the nearly 300,000 engines still in service.

Since the secured lender wishes to vacate the Canton facility, Hercules Engine Components is currently seeking warehouse and office space in the Stark County area for the operation of the new business. The acquisition included inventory trademarks, trade names, intellectual property and other ancillary equipment. The project will involve the transfer of material, equipment and office fixtures to the new facility. It is the intention of Hercules Engine Components to expand the business and operations by initiating a program to remanufacture blocks and heads.

A facility has been located in the City of Massillon at 2770 S. Erie Avenue. Unfortunately, this facility will require some improvements including a loading dock, office reconstruction, and a 10,000 sq. ft. addition. To financially justify the commitment of this move, substantial real estate and property tax incentives are required.

### PROJECT SITE:

2770 Erie South  
Massillon, OH 44646-7943

Parcel ID:	06-15852
Legal Description:	01 545 2.50 A
Acreage:	2.5
Existing building:	12,000 sq. ft.
Proposed addition:	10,000 sq.ft.

### INVESTMENTS:

Hercules Engine Components	\$1,000,000.00
Stoneham Associates Inc.	<u>795,000.00</u>
TOTAL	\$1,795,000.00

**HERCULES ENGINE COMPONENTS  
ANCILARY AND OTHER ITEMS - EVALUATION  
ASSET LIST AND ALLOCATION**

<u>ITEM</u>	<u>PURCHASE VALUE</u>	
CAD SYSTEM AND FILES	\$465.00	1
3M 1640 BLUEPRINT READER/PRINTER	\$93.00	1
BLUEPRINT FILE CABINETS Approx 250	\$155.00	1
FILE CABINETS ENGINEERING (APPROX 80)	\$124.00	1
FILE CABINETS PARTS SERVICE (APPROX 30)	\$46.50	1
GOVT CONTRACT BOOKCASE	\$7.75	1
FILE CABINETS SALES DEPT. (APPROX 10)	\$15.50	1
FILE CABINETS PURCHASING (APPROX 8)	\$12.40	1
#2150 PRESS AND FIXTURES	\$46.50	
#1288 ARBOR PRESS	\$46.50	
MISC. FIXTURES 53 DEPT.	\$62.00	
G1600 ROCKER ASSY PRESS AND FIXTURE	\$46.50	
CYL. HD. TEST MACHINES	\$46.50	
#555 ARBOR MACHINE	\$62.00	
#2241 PRESS FOR CAM GEARS	\$62.00	
FAMCO PRESS FOR GEAR COVER	\$62.00	
GEAR HEATER	\$62.00	
HIGH & LOW BAY RACKS ASSY. ( APPROX. 150 FT.)	\$465.00	
PRESS FOR CAM GEAR DEPT. 80	\$62.00	
#876 PUMP TESTER G&D DEPT 38	\$46.50	
#2239 PUMP TESTER 4800 DEPT 38	\$46.50	
#2816 PUMP TESTER G1600	\$46.50	
#1211 PRESS & FIXTURES OIL PUMP (DEPT 38)	\$62.00	
#2149 DRILL PRESS OIL PUMP DEPT 38	\$62.00	
#488 KEY WAY 4800 OIL PUMPS	\$62.00	
MISC. FIXTURES DEPT.38	\$62.00	
#2901 HOSE CRIMPER	\$31.00	
#2234 TUBE SPINNER	\$31.00	
#2088 FITTING CRIMPER	\$31.00	
MISC. BENDERS FIXTURES DEPT. 59	\$93.00	
ALL HIGH BAY AND LOW BAY RACKS (APPROX 800FT)	\$2,480.00	
RAYMOND REACH ( 2 UNITS)	\$1,550.00	
CLEANING & OIL TANKS ( 3 UNITS)	\$65.10	
WIEGH SCALES ( 3 UNITS)	\$186.00	
VACUUM SEAL MACHINES	\$62.00	
BAKER LIFT TRUCK	\$372.00	
SHARP COPY MACHINE	\$31.00	
SERVICE P.C.	\$62.00	
CARDBOARD SAW	\$62.00	
7 SETS OFFICE FURNITURE	\$668.00	
VENDOR TOOLING	\$9,300.00	
MACHINE FIXTURES	<u>\$7,750.00</u>	
<b>TOTAL</b>	<b>\$26,303.75</b>	

**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.

See attached Exhibit "C"

## II. PROJECT BUDGET

<b>A.</b>	<b>NEW BUILDINGS</b> (Provide a brief description of size, type, etc.)	<u><b>Proposed Cost</b></u>
	12,000 sq. ft. Metal & block Warehouse (no dock)	\$345,000.00
<b>B.</b>	<b>ADDITIONS</b> (Provide a brief description of size, type, etc.)	<u><b>Proposed Cost</b></u>
	10,000 sq. ft. Metal & block Warehouse with dock	\$400,000.00
<b>C.</b>	<b>IMPROVEMENTS TO EXISTING BUILDINGS</b> (Provide an itemized description)	<u><b>Proposed Cost</b></u>
	Renovate offices New lighting Rest rooms to code HVAC Electrical power 3 phase	\$ 50,000.00

**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.

See attached  
Exhibit "D"

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.

N/A

**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.

-0-

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.

\$975,000.00

### 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).

Hercules Engine Components is a newly formed corporation established to fill the need for parts and service of Hercules Engines. All of the jobs are new positions created with the new corporation. We anticipate having 8 full-time employees and 1 part-time employee on payroll by December 31, 1999. The dollar impact of payroll is attached as Schedule "B".

#### 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.

Requested Personal Property Tax Exemption      75% - ten years

Requested Real Estate Property Tax Exemption      75% - ten years

OHIO DEPARTMENT OF DEVELOPMENT  
ENTERPRISE ZONE PROJECT TAX ANALYSIS

General Project Information

County: Stark Local Government Authority: Massillon  
Business: Hercules Engine Components LLC Total Project Cost: \$1,795,000.00

Total Current Real Property Tax of Business (at site): \$5,085.00

Total Current Tangible Personal Property Tax of Business (at site): -0-

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

Note, does the project involve relocation of any assets or jobs? yes -X no

If yes within local jurisdiction yes X no

within county yes X no

within State (distance mi.) yes X no

Does the project involve removal of any currently taxed assets (Real or Personal Property from the Tax Rolls? X yes no

Is there a local income tax? X yes no Estimate real property tax loss \$3813.75

If yes, please list income tax rate: 1.8 % Estimate tangible personal tax loss -0-

Note total number of new jobs projected-attributable to the project 13;

Note new payroll projected from the new job commitment \$3,750,000.00

1.8 x 1.8 % income tax rate = \$67,500.00 new income tax generation

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

1A. Total Project Costs receiving Real Property Exemption: \$795,000.00

Real Property Tax Matrix

Projected tax year	YR1	YR2	YR3	YR4	YR5	YR6	YR7	YR8	YR9	YR10
Estimated Value of Real Property Improvements	\$795,000	755,000	705,000	665,000	625,000	585,000	545,000	505,000	465,000	425,000
Exemption Schedule	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%
Exempted Value	596,250	566,250	528,750	498,750	468,750	438,750	408,750	378,750	348,750	318,750
Taxable Value	198,750	188,750	176,250	166,250	156,250	146,250	136,250	126,250	116,250	106,250
Assessment	35%	35%	35%	35%	35%	35%	35%	35%	35%	35%
Real Property Tax Rate	.04293	.04293	.04293	.04293	.04293	.04293	.04293	.04293	.04293	.04293
Total Real Property Tax Foregone (Exempted Value x 35% + tax rate)	8959	8508	7945	7494	7043	6592	6142	5691	5240	4789
Net New Tax Revenue (Taxable Value x 35% + tax rate)	2986	2836	2648	2498	2348	2197	2047	1897	1747	1596

Total Real Property Tax Foregone over Project Term: \$ 68,403

Total New Real Property Tax Revenue generated over Project Term: \$ 22,794

1B. Please calculate the annual net new Real Property Tax Revenue generated by the project. Subtract any real property tax revenue loss (page 1) \$3813 from the new real property tax generated \$2986 (1A) to equal the net new annual real property increase (loss) \$ (827) to community.

20 yr depreciation

## 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.

The Tangible Personal Property assessment rate for 1990 is 28%, for 1991-27%, for 1992-26%, and for 1993 and beyond - 25%.

### Personal Property Tax Matrix

Projected Tax Year	YR1	YR2	YR3	YR4	YR5	YR6	YR7	YR8	YR9	YR10
Estimated Value of Tangible Personal Property	1,000,000	1,500,000	1,500,000	1,500,000	1,250,000	1,250,000	1,250,000	1,000,000	1,000,000	1,000,000
Exemption Schedule	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%
Exempted Value	750,000	1,125,000	1,125,000	1,250,000	937,500	937,500	937,500	750,000	750,000	750,000
Taxable Value	250,000	375,000	1,125,000	1,250,000	312,500	312,500	312,500	250,000	250,000	250,000
Assessment	27%	26%	25%	25%	25%	25%	25%	25%	25%	25%
Tangible Personal Property Tax Rate	57.5%	57.5%	57.5%	57.5%	57.5%	57.5%	57.5%	57.5%	57.5%	57.5%
Total Tangible Property Tax Forgone (Exempted Value x Assessment x tax rate)	10,781	16,172	16,172	16,172	13,477	13,477	13,477	10,781	10,781	10,781
Net New Tangible Property Tax Revenue (Taxable Value x Assessment x tax rate)	3,594	5,391	5,391	5,391	4,492	4,492	4,492	3,594	3,594	3,594

Total Tangible Personal Property Tax forgone over Project Term: \$132,071  
Total Net New Tangible Personal Property Tax Revenue generated over project term: \$44,025

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- (page 1) from the new Tangible Personal Property Tax generated \$3,594 (2A) to equal the net new annual Tangible Personal Property increase (loss) \$3,594 to community.

DATE: October 4, 1999

CLERK: SHARON HOWELL

CITY OF MASSILLON, OHIO

COUNCIL CHAMBERS

LEGISLATIVE DEPARTMENT

ORDINANCE NO. 199 - 1999

BY: COMMUNITY DEVELOPMENT AND ANNEXATION COMMITTEE

TITLE: AN ORDINANCE authorizing the Mayor of the City of Massillon to enter into an agreement with Hercules Engine Components LLC providing an economic development "inducement grant" to assist the company in relocating and expanding its operations in Massillon, and declaring an emergency.

WHEREAS, the City of Massillon carries out a variety of economic development programs designed to promote the creation and expansion of business and industry in the community; and

WHEREAS, Hercules Engine Components LLC desires to relocate and expand its headquarters in Massillon through the acquisition of property located at 2770 Erie Street South; and

WHEREAS, Hercules Engine Components LLC through this proposed business relocation and expansion, plans to provide 12 new full time jobs and 1 new part time permanent job over a three year period; and

WHEREAS, the City of Massillon proposes to assist Hercules Engine Components LLC in this relocation and expansion of its operations by providing an economic development "inducement grant", the purpose of which is to help offset the company's costs in relocating its operations to Massillon.

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

Section 1:

This Council hereby authorizes the Mayor to enter into an agreement with Hercules Engine Components LLC providing an economic development "inducement grant," in a total amount not to exceed Thirty Thousand Dollars (\$30,000.00) for the purpose of assisting the company in relocating and expanding its operations in Massillon.

Section 2:

In return for this economic development grant assistance, Hercules Engine Components LLC, shall provide the City with information regarding the number of jobs that it has provided as a result of the company's relocation and expansion in Massillon.

Section 3:

This Ordinance is declared to be an emergency measure immediately necessary for the preservation of the health, safety, and welfare of the community and for the additional reason that it is necessary to improve the economic climate of the community through the expansion of business and employment opportunities. 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

DATE: October 4, 1999

CLERK: SHARON HOWELL

CITY OF MASSILLON, OHIO

COUNCIL CHAMBERS

LEGISLATIVE DEPARTMENT

ORDINANCE NO. 200- 1999

BY: RULES, COURTS AND CIVIL SERVICE COMMITTEE

TITLE: AN ORDINANCE amending Section 2(D) OCCUPATION LIST OF CLASS TITLES - HEALTH DEPARTMENT of Ordinance No. 127 - 1997 by repealing Section 2(D) OCCUPATION LIST OF CLASS TITLES - HEALTH DEPARTMENT, and enacting a new Section 2(D) OCCUPATION LIST OF CLASS TITLES - HEALTH DEPARTMENT, in the City of Massillon, Ohio, and declaring an emergency.

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

Section 1:

Section 2(D) OCCUPATION LIST OF CLASS TITLES - HEALTH DEPARTMENT of Ordinance No. 127 - 1997 be and is hereby repealed.

Section 2:

That a new Section 2(D) OCCUPATION LIST OF CLASS TITLES - HEALTH DEPARTMENT of Ordinance No. 127 - 1997 be and is hereby enacted and shall read as follows:

(SEE ATTACHMENT 'A' PAGE 7 & 8; AND INSERT IN THE SALARY ORDINANCE 127 - 1997)

Section 3:

That this Ordinance is declared to be an emergency measure necessary for the immediate preservation of the public health, safety and welfare of the community and for the additional reason that the provisions hereby enacted are immediately necessary to comply with the request of the Massillon Health Department and the Massillon City Board of Health as approved at their June 22, 1999 meeting. 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 \_\_\_\_\_ 1997

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

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

<b>CLASS GRADE</b>	<b>SCHEDULE</b>	<b>DEPARTMENT &amp; TITLE DESCRIPTION</b>
		<b><u>WASTEWATER TREAT CONT.</u>      610 - 615</b>
20S	CL	Laboratory Technician II
18S	CL	Industrial Pretreatment Inspector
18S	CL	Instrument Electrician II
18S	CL	Chief Main. Mechanic/Coll Sys Inspector
18S	UN	Collection System Technician II
17S	SU UN	Collection Department Chief (Split 1/2)
16S	CL	Instrument Electrician I
16S	UN	Collection System Technician I
15S	SU UN	Collection Department Chief (Split 1/2)
15S	SU UN	Collection/Data Center (Split 1/3)
12S	CL	Laboratory Technician I
12S	CL	Administrative Assistant
9S	CL	Account Clerk
9S	UN	Asst to Manager/Superintendent/Adm Asst
9S	UN	Account Clerk II Typist
8S	UN	Account Clerk II Typist
8S	UN	Laboratory Asst/Admin.. Aide
7S	UN	Account Clerk II Typist
6S	UN	Secretary
3S	UN	Clerk Typist I
16W	WW	Chief Operator
15W	WW	Operator III
15W	WW	Maintenance Mechanic II
14W	WW	Vactor Operator
14W	WW	Operator II (w/class II license)
14W	WW	Sewer Inspector
13W	WW	Operator I (w/class I license)
13W	WW	Maintenance Mechanic I
13W	WW	Light Equipment Operator
12W	WW	Operator (w/o license)
11W	WW	Laborer II
9W	WW	Laborer I
1W	WW	Temporary Labor
		<b><u>PART TIME/TEMPORARY/SEASONAL</u></b>
	MS	Clerk/Laborer
1W	WW	Temp Sanit. Sewer Insp.. (West Mass Trunk)
		<b><u>HEALTH DEPT</u>      705-710-730</b>
21S	SU CL	Health Administration Officer
17S*	CL	Public Health Nursing Director/Supervisor
15S	CL	Housing Inspector
15S*	CL	Public Health Nurse I
14S	CL	Public Health Sanitarian
		<b>CONTINUED.....</b>

<b>CLASS GRADE</b>	<b>SCHEDULE</b>	<b>DEPARTMENT &amp; TITLE DESCRIPTION</b>	
		<b><u>HEALTH DEPT CONTINUED</u></b>	
12S	CL	Public Health Sanitarian-in-Training	
14S	CL	WIC Clinic Supervisor	
9S	CL	WIC Clinic Assistant	
9S	CL	Registrar of Vital Statistics	
8S	CL	Registrar of Vital Statistics	
8S	CL	Clerk Typist II Deputy Registrar	
7S	CL	WIC Clerk	
6S	CL	Clerk Typist II	
		<b><u>PART TIME/TEMPORARY/SEASONAL</u></b>	
15S*	MS CL	Public Health Nurse I	
	MS	Health Comm. (Appt..)	
	MS CL	Sanitarian (entry)	
	MS CL	Acting Health Come.	
	MS CL	Medical Director	
	MS CL	WIC Prof/Nutritionist	
	MS CL	WIC Staff Prof (entry)/ Nurse	
	MS CL	WIC Clerk	
		<b><u>COMM. DEV./PLANNING</u></b>	<b>845</b>
26S	SU UN	Community Development Director And Economic Development Director	
19S	SU UN	Housing Director	
15S	SU UN	Youth Director	
9S	CL	Secretary/Bookkeeper	
9S	UN	Code Enforcement Officer	
8S	UN	Housing Clerk/Secretary	
6S	UN	Clerk Typist II	
5S	CL	Clerk Typist I	
5S	CL	Relocation Aide	
		<b><u>SUMMER YOUTH PROG.</u></b>	<b>845</b>
		<b><u>PART TIME/TEMPORARY/SEASONAL</u></b>	
	MS	SESP Administrator (6 Hr. Limit)	
	MS	Cook	
	MS	Aide	
	MS	Site Coordinator	
	MS	Secretary/Janitor (6 Hr. Limit)	
	MS	Cook Helper/Youth Center	
	MS	SYPE Coordinator	
	MS	SYPE Counselor	
	MS	SYPE Teachers	

DATE: October 4., 1999

CLERK: SHARON HOWELL

CITY OF MASSILLON, OHIO

COUNCIL CHAMBERS

LEGISLATIVE DEPARTMENT

ORDINANCE NO. 201 - 1999

BY: HEALTH, WELFARE AND BUILDING REGULATIONS COMMITTEE

TITLE: AN ORDINANCE amending CHAPTER 147 "BOARD OF CONTROL" of the Codified Ordinances of the City of Massillon, by enacting a new Section 147.01 "Procedures for Determining the Lowest and Best Bids for the Construction of Public Improvements", and declaring an emergency.

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

Section I:

There be and is hereby enacted a new Section 147.01 "Procedures for Determining the Lowest and Best Bids for the Construction of Public Improvements", of the Codified Ordinances of the City of Massillon. Said newly enacted Section shall read as follows:

**147.01 PROCEDURES FOR DETERMINING THE LOWEST AND BEST BID FOR THE CONSTRUCTION OF PUBLIC IMPROVEMENTS.**

A. Definitions

1. "Public Contract" means any contract for the construction, reconstruction, improvement enlargement, renovation, alteration, repair, painting or decorating of any public improvement, the total overall project cost of which is fairly estimated to be more than \$10,000.00 and which requires bidding pursuant to Ohio R.C. 735.05 through 735.09 and Ohio R.C. 737.03 and is to be performed by other than city employees.
2. "Public Improvement" includes all buildings, roads, streets, alleys, sewers, ditches, sewage disposal plants, water works and all other structures or works constructed by the City of by any person or entity, who, pursuant to a contract with the City, constructs any public improvement for the city.

3. "Local Employee" means:

- (i) A person residing within the City of Massillon or Stark County.
- (ii) A person working for a contractor or from a pool of labor located within the City of Massillon or Stark County.
- (iii) Due to the specialty nature of the employment to be performed, where a suitable person meeting either (i) or (ii) above is not available, a person residing or working within a location as close to Massillon as is available. A suitable person means a person who is qualified to perform the work or trainable within a reasonable period of time.

B. In addition to the dollar amount of the bid in determining the lowest and best bid, for any public contract for the City, as defined herein, shall consider and apply the following factors:

- 1. The work, supplies and materials covered by the bidder's bid.
- 2. The bidder's familiarity and experience with constructing the public improvement or which a bid has been submitted.
- 3. The bidder's performance record on similar construction projects.
- 4. The number of years the bidder has been actively engaged as a contractor in the construction industry.
- 5. The bidder's recent experience record in the construction industry, including the original contract price for each construction job undertaken by the bidder, the amount of any change orders or cost overruns on each job and the reasons for the change orders or cost overruns.
- 6. The bidder's record for complying with and meeting completion deadlines on construction projects.
- 7. The bidder's ability to secure an acceptable performance bond.
- 8. Whether any claims have been made against performance bonds secured by the bidder on other construction projects.
- 9. The experience of the bidder's work force.
- 10. The continuity of the bidder's work force.

11. The identity of the bidder's permanent work force that will be employed on the public contract, to include the number of employees (or contract labor) to be assigned to the contract, their City or State of residence, and their job descriptions or trade specialties.
  12. The identity of any temporary work force that will be employed on the public contract, to include the number of employees (or contract labor) to be assigned to the contract, their City and State of residence, and their job descriptions or trade specialties.
  13. The number of local employees, as defined in paragraph (A)(3), and their job descriptions or trade specialties that the bidder will employ on the public contract.
  14. When a bidder claims that non-local employees (or non-local contract labor) are to be assigned to the public contract instead of local employees, the reasons therefore.
  15. When a bidder claims that local employees are not intended to be used by the bidder on the public contract because they are not available, qualified or trainable within a reasonable period of time, the reasons therefore.
  16. In lieu of responses to items (11) - (15), an affidavit of the bidder that he will employ all local labor on the public contract.
  17. Whether the bidder participates in a bona fide apprenticeship program that is approved by the Ohio State Apprenticeship Council and the United States Department of Labor.
  18. The length of time that the bidder has been a participant in a bona fide apprenticeship program.
  19. The bidder's compliance record with unemployment and workers' compensation laws.
  20. The bidder's compliance record with federal and state prevailing wage laws.
  21. The bidder's compliance record with Fair Labor Standards Act.
- C. Each factor enumerated in subsection (b), standing alone, shall not be considered as determinative of the lowest and best bid. The City shall have complete discretion in assessing the level of importance to be placed upon any one or more of the factors enumerated and in determining the lowest and best bid and in awarding the public contract.

- D. All bid invitations and specifications for construction, repair and renovation work shall advise prospective bidders of all of the factors that will be taken into consideration by the Board of Control in determining whether a bid is not only the lowest but best bid. Bid specifications shall contain previous conforming of this Ordinance, including a form or forms to enable a bidder to provide evidence to the Board of Control of the bidder's compliance with, adherence to, or satisfaction of the various factors that shall be considered by the Board in determining the lowest and best bid.

Section 3

This Ordinance is hereby declared to be an emergency measure necessary for the immediate preservation of the public peace, health or safety of the citizens of the City of Massillon, the emergency being to avoid unnecessary time delay in implementation of the foregoing procedures to more efficiently administer the contracting process for public improvement projects. 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

ATTEST: \_\_\_\_\_  
SHARON HOWELL, CLERK OF COUNCIL

\_\_\_\_\_  
DENNIS D. HARWIG, PRESIDENT

APPROVED: \_\_\_\_\_

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

DATE: October 4, 1999

CLERK: SHARON HOWELL

CITY OF MASSILLON, OHIO

COUNCIL CHAMBERS

LEGISLATIVE DEPARTMENT

ORDINANCE NO.202 - 1999

BY: FINANCE COMMITTEE

TITLE: AN ORDINANCE making certain appropriations from the unappropriated balance of the UDAG Towne Plaza B-81-AB-39-0097 Fund of the City of Massillon, Ohio, for the year ending December 31, 1999, and declaring an emergency.

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

Section 1:

There be and hereby is appropriated from the unappropriated balance of the UDAG Towne Plaza B-81-AB-39-0097 Fund of the City of Massillon, Ohio, for the year ending December 31, 1999, the following:

\$ 30,000.00 to an account entitled "Economic Development Grants" 1217.845.2390

Section 2:

This Ordinance is hereby declared to be an emergency measure, for the reason that said appropriation is needed to assist with the renovation and expansion of the Hercules Engine Components LLC facility so it may begin its business operations and for the health, safety and welfare of the community. 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