

**MASSILLON CITY COUNCIL
CITY OF MASSILLON, OHIO
TONY M. TOWNSEND, PRESIDENT
AGENDA**

**DATE: MONDAY, OCTOBER 7, 2013
PLACE: COUNCIL CHAMBERS
TIME: 7:30P.M.**

THERE ARE NO PUBLIC HEARINGS TONIGHT

- 1. ROLL CALL**
- 2. INVOCATION BY COUNCILWOMAN QUENESSA HAMPTON**
- 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. 116 – 2013

BY: COMMUNITY DEVELOPMENT COMMITTEE

AN ORDINANCE authorizing the Mayor to enter into an agreement with Quest Automotive Products and JJ & W Limited Partnership, the Lessor, providing for the expansion of its existing facility located at 600 Nova Drive SE. This expansion will improve their facility and result in the creation of 25 new full time permanent jobs within the City of Massillon Enterprise Zone, and declaring an emergency.

ORDINANCE NO. 117 – 2013

BY: COMMUNITY DEVELOPMENT COMMITTEE

AN ORDINANCE repealing Ordinance No. 181 – 2001 and Ordinance No. 50 – 2005, and rescinding the Enterprise Zone Agreement with Cloverleaf Cold Storage, and declaring an emergency.

ORDINANCE NO. 118 – 2013

BY: FINANCE COMMITTEE

AN ORDINANCE making certain appropriations from the unappropriated balance of the General Fund, TIF Service Payment Fund, Parks and Recreation Fund, 1414 Collection System Improvement Fund, 2105 Stormwater Utility Fund, Income Tax Capital Improvement Fund, Tax Increment Fund and the Local Law Enforcement Trust Fund, for the year ending December 31, 2013, and declaring an emergency.

ORDINANCE NO. 119 – 2013

BY: FINANCE COMMITTEE

AN ORDINANCE making certain transfers in the 2013 appropriations from within the General Fund, for the year ending December 31, 2013, and declaring an emergency.

7. UNFINISHED BUSINESS

8. PETITIONS AND GENERAL COMMUNICATIONS

LETTER FROM THE OHIO DIVISION OF LIQUOR CONTROL REGARDING A NEW LIQUOR LICENSE FOR 705 WALES ROAD INC DBA KENDALL TAVERN & PATIO 705 WALES RD NE 1ST FL MASSILLON OHIO 44646

9. BILLS, ACCOUNTS AND CLAIMS

10. REPORTS FROM CITY OFFICIALS

- A). AUDITOR SUBMITS MONTHLY REPORT FOR SEPTEMBER 2013
- B). MAYOR SUBMITS MONTHLY REPORT FOR AUGUST 2013
- C). MAYOR'S APPOINTMENT TO BOARDS AND COMMISSIONS

11. REPORTS OF COMMITTEES

12. RESOLUTIONS AND REQUESTS OF COUNCIL MEMBER

13. CALL OF THE CALENDAR – TABLED FROM AUGUST 19, 2013

ORDINANCE NO. 73 – 2013

*Tabled
pt 21* **BY: PARKS AND RECREATION COMMITTEE**

AN ORDINANCE amending CHAPTER 163 "RECREATION BOARD" of the Codified Ordinances of the City of Massillon, by repealing existing Subsections 163.03 "POWERS AND DUTIES", 163.04 "PARK AND RECREATION DEPARTMENT", and creating a new Subsection 163.06 "GOLF ADVISORY COMMITTEE OF THE LEGENDS OF MASSILLON GOLF CLUB", and declaring an emergency.

14. THIRD READING ORDINANCES AND RESOLUTIONS

ORDINANCE NO. 80 – 2013

85-4 **BY: ENVIRONMENTAL COMMITTEE**

- ✓ AN ORDINANCE authorizing the Director of Public Service and Safety of the City of Massillon, Ohio, to enter into a joint venture agreement with CTI Engineers, Inc., and O'Brien & Gere for professional services for the Wastewater Treatment Plant Improvement Project at the Wastewater Treatment Plant.

ORDINANCE NO. 81 – 2013

P **BY: ENVIRONMENTAL COMMITTEE**

- ✓ AN ORDINANCE authorizing the Mayor and the Director of Public Service and Safety of the City of Massillon, Ohio, to sign the Massillon-Stark County Sewer Service Agreement Supplemental #2 for the Wastewater Treatment Plant Improvement Project at the Wastewater Treatment Plant.

ORDINANCE NO. 101 – 2013

P **BY: COMMUNITY DEVELOPMENT COMMITTEE**

AN ORDINANCE amending Section 1151.02 of the Massillon Code of 1985 rezoning a certain tract of land from R-1 Single Family Residential to RM-1 Multiple Family Residential.

15. SECOND READING ORDINANCES AND RESOLUTIONS
16. NEW AND MISCELLANEOUS BUSINESS
17. REMARKS OF DELEGATIONS AND CITIZENS TO MATTERS NOT ON THE AGENDA
18. ADJOURNMENT

MARY BETH BAILEY - CLERK OF COUNCIL

DATE: OCTOBER 7, 2013

CLERK: MARY BETH BAILEY

MASSILLON CITY COUNCIL
CITY OF MASSILLON, OHIO
TONY M. TOWNSEND, PRESIDENT

COUNCIL CHAMBERS

LEGISLATIVE DEPARTMENT

ORDINANCE NO. 116 - 2013

BY: COMMUNITY DEVELOPMENT COMMITTEE

TITLE: AN ORDINANCE authorizing the Mayor to enter into an agreement with Quest Automotive Products and JJ & W Limited Partnership, the Lessor, providing for the expansion of its existing facility located at 600 Nova Drive SE. This expansion will improve their facility and result in the creation of 25 new full time permanent jobs 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, Quest Automotive Products and JJ & W Limited Partnership, the Lessor, is proposing to expand its facility at 600 Nova Drive SE, within the Massillon Enterprise Zone, through the expansion of the existing facility at a total investment of \$6,238,000 Million Dollars, (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 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 Quest Automotive Products and JJ & W Limited Partnership, the Lessor, with the incentives available for development of the Project in said Enterprise Zone, under Chapter 5709 of the Ohio Revised Code; and

WHEREAS, Quest Automotive Products and JJ & W Limited Partnership, the Lessor, 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 Quest Automotive Products and JJ & W Limited Partnership, the Lessor, 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 and any applicable Joint Vocational School District 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 Quest Automotive Products and JJ & W Limited Partnership, the Lessor, providing for the adoption of a project which will improve 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 Quest Automotive Products and JJ & W Limited Partnership, the Lessor, 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 _____ 2013

APPROVED: _____
MARY BETH BAILEY, CLERK OF COUNCIL

TONY M. TOWNSEND, PRESIDENT

APPROVED: _____

KATHY CATAZARO-PERRY, 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 151 Lincoln Way East, Massillon, Ohio 44646 (hereinafter referred to as "City of Massillon"), **Quest Automotive Products**, a Corporation with its main offices currently located at 850 Ladd Road, Building E, Walled Lake, MI 48390 (hereinafter referred as the "Enterprise"), and JJ & W Limited Partnership, the Lessor (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, which manufactures, distributes, and markets automotive refinish products such as basecoat systems, primers, clearcoats, reducers, hardeners, and solvents, is desirous of expanding its existing facility within the Enterprise Zone through the construction of a 23,000 square foot manufacturing building addition to consolidate operations, and the relocation to this facility of production lines currently operated in Walled Lake, Michigan (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 \$750.00 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 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 1:

The Enterprise has an existing facility located at 600 Nova Drive SE, Massillon, Ohio and known as Out Lot 560, Parcel 06-17132, (hereinafter the "Project Site"). The Enterprise will construct the following building addition on this property:

1. A 23,000 square foot building addition to the existing facility. This space will be used for the production of paint related products currently produced in Walled Lake, Michigan and to permit consolidation of its operations and expansion of its product lines.

As part of this Project, the Enterprise will also relocate certain machinery and equipment as detailed in the Application.

The Project will involve a total investment by the Enterprise as detailed below:

	Minimum	Maximum
A. Acquisition of Buildings:	\$ 0	\$ 0
B. Additions/New Construction:	\$ 1,575,000	\$ 1,575,000
C. Improvements to existing buildings	\$ 0	\$ 0
D. Machinery & Equipment	\$ 1,163,000	\$ 1,163,000
E. Furniture & Fixtures:	\$ 0	\$ 0
F. Inventory	\$ 3,500,000	\$ 3,500,000
Total New Project Investment:	\$ 6,238,000	\$ 6,238,000

Furthermore, the Enterprise has reported that its existing on-site 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 \$5,600,000.

The Project will begin October 2013, and all acquisition, construction, and installation will be completed by April 31, 2014.

The total investment by the Enterprise in undertaking 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 the application attached as 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 1, 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 start of construction of the aforesaid Project, 25 new full-time permanent jobs with an annual payroll of (\$895,000) Eight Hundred Ninety-Five Thousand Dollars. The Enterprise's schedule for hiring is as follows: create 10 new full-time permanent jobs in year one; create 12 new full-time permanent jobs in year two; and create 3 new full-time permanent jobs in year three. The job creation period begins in 2014 and all jobs will be in place by December 31, 2016.

The Enterprise currently has 133 full time permanent employees in the State of Ohio, with 123 employees at the Massillon facility and 10 employees at the Gnadenhutten facility. No jobs will be relocated or lost from the Gnadenhutten facility as

a result of this Project. The Enterprise will use its best efforts to retain these 123 existing full-time permanent jobs at the Project Site. The current annual payroll at the facility is \$5,551,986.

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.

Section 4:

The City of Massillon hereby grants the Enterprise a tax exemption pursuant to Section 5709.62 for eligible new tangible personal property acquired in conjunction with the Project and will only apply to the investment limits expressed in the project description as defined in Sections 1 of this agreement. This tax exemption shall be at the rate of 50% on all machinery and equipment, furniture and fixtures, and inventory acquired as part of the Project as defined in Section 1 and Exhibit A of this Agreement. Each identified project improvement will receive a ten year exemption period.

The minimum investment for tangible personal property to qualify for the exemption is \$1,163,000 to purchase machinery and equipment first used in business at the facility as a result of the project, and \$3,500,000 for new inventory. The maximum investment for tangible personal property to qualify for exemption is \$1,163,000 to purchase machinery and equipment first used in business at the facility as a result of the project, and \$3,500,000 for new inventory. 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 tax return year 2014 nor extend beyond tax return year 2023. In no instance shall any tangible personal property be exempted from taxation for more than ten return years.

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 50%. 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 tax return year 2014 nor extend beyond tax return year 2023.

The Enterprise must file the appropriate tax forms (DTE 23) with the County Auditor to effect and maintain the exemptions covered in the agreement.

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/or 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 and/or the Lessor 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 Development Services Agency 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 are currently 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 covenants 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 and 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, 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:

In any three-year period during which this agreement is in effect, if the actual number of employee positions created or retained by the Enterprise is not equal to or greater than seventy-five percent of the number of employee positions estimated to be created or retained under this agreement during three-year period, the Enterprise shall repay the amount of taxes on property that would have been payable had the property not been exempted from taxation under this agreement during that three-year period. In addition, the City of Massillon may terminate or modify the exemptions from taxation granted under this agreement.

Section 18:

The Enterprise and the Lessor together 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 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 6 months.

Section 19:

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

In Witness Whereof, the City of Massillon, Ohio, by Kathy Catazaro-Perry, its Mayor, and pursuant to Ordinance No. _____, has caused this instrument to be executed this ____ day of _____; Quest Automotive Products, by John R. Czarnik, Director of U.S. Operations has caused this instrument to be executed this ____ day of _____; and JJ & W Limited Partnership, the Lessor, by Wayne Whipkey, Partner, has caused this instrument to be executed this ____ day of _____;

WITNESSED BY:

THE CITY OF MASSILLON, OHIO

Kathy Catazaro-Perry, Mayor

WITNESSED BY:

QUEST AUTOMOTIVE PRODUCTS

John R. Czarnik
Director of U.S. Operations

WITNESSED BY:

JJ & W LIMITED PARTNERSHIP

Wayne Whipkey, Partner

Approved as to form and legal sufficiency:

Pericles G. Stergios, 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 Quest Automotive Products & JJ & WI
(Enterprise)

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

Quest Automotive Products
Enterprise name

John Czarnik (TH)
Contact person

600 Nova Drive SE

330.830.6000

Telephone number

Massillon, OH 44646

Address

- b. Project Site:

600 Nova Drive SE

Wayne Whipkey

Contact person

Massillon, Ohio 44646

330.323.3032

Telephone number

Address

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

Manufacturer

- b. List primary 4 digit Standard Industrial Code (NAIC) # 424950
Business may list other relevant SIC numbers. 325520

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

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

Corporation

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

Quest Specialty Chemicals

4. Is business seasonal in nature? Yes _____ No X

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

109 Full-Time employees and 14 sales staff

- 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):

133 Full-Time employees

- e. State the enterprise's current employment level for each facility to be affected by the relocation of employment positions or assets: Mass 109 Michigan 20 total 10-2014 10-2015

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

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 X No _____

- b. If yes, list the local legislative authorities, date, and term of the incentives for each Enterprise Zone Agreement: Ord. NO. 57-2013 June 3, 2013

Assigning original EZ Agreement to
Quest Specialty Chemical - 10 yr. / 75% abatement on real property. (TN)

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: expansion of the existing plant by 25,200 sq.ft. to accommodate increased inventory which will be generated by relocating product lines from Michigan.

9. Project will begin October, 20 13 and be completed
April, 20 14 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): 25 Full-Time employees or Full-Time equivalent

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: 2014 - 10 2015 - 12 2016 - 3

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). 2013 - \$192,325 2014 - \$558,000
2015 - \$15,675 2016 - \$129,000

b. Indicate separately the amount of existing annual payroll relating to any job retention claim resulting from the project: \$ 5,551,986

12. Market value of the existing facility as determined for local property taxation.
\$ 5,605,300

13. a. Business's total current investment in the facility as of the proposal's submission.
\$ 2,771,700

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): \$ _____

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>0</u>
B.	Additions/New Construction:	\$	<u>1,575,000</u>
C.	Improvements to existing buildings	\$	<u> </u>
D.	Machinery & Equipment	\$	<u>1,163,000</u>
E.	Furniture & Fixtures:	\$	<u> </u>
F.	Inventory	\$	<u>3,500,000</u>
Total New Project Investment:		\$	<u>6,238,000</u>

15. a. Business requests the following tax exemption incentives: 50% 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)

To accommodate cost of relocation and expansion instead of continuing operations in existing locations

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.

Direct Automotive Products
Name of Enterprise

09-13-2013
Date

[Signature]
Signature

John R. Casarini
DIRECTOR OF IS OPERATIONS
Typed Name and Title

[Signature]
Signature

Lessor - JJ & W Limited Partnership

* 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 Seven Hundred Fifty Dollars (\$750.00) 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.

The proposed project is an expansion of warehouse space to accommodate the projected growth. Because of the flash point of the coating and paint of the stored products, as well as _____ factor, special fire walls and exit doors must be provided in the design.

In aggregate, the anticipated storage will be in the amount of 114,450 gallons, comprised by the following contents:

Primer – 17,035 gallons
Clear Coat – 25,258 gallons
Hardener – 22,668 gallons
Toner – 27,237 gallons
Solvent – 22,252 gallons

In addition approximately 6000 square feet of the building will be dedicated for a paint related manufacturing line, utilizing equipment from a facility owned by Quest Automotive Products of Walled Lake, Michigan. This facility in Michigan will be closed and the process moved to Massillon, Ohio.

The site is a well located 13.9 acres in Nora Park at 600 Nave Avenue, Massillon, Ohio. The proposed addition provides a total of 25,200 square feet at a total project cost of \$1,575,000.

When the project is added to the existing building, there will be an aggregate of 191,800 square feet.

II. PROJECT BUDGET

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

Proposed Cost

Expand existing warehouse by 25,200 square feet (210x120) and "separating" it from the existing building by firewalls being put in place.

\$1,575,000



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

Proposed Cost

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.

Cost estimate for Reducer
AND Primer AT PROPOSED
EXPANSION.

\$1,163,000 (TN)

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).

See Item #5.

This project will create 25 new jobs in The City of Massillon with a total estimated payroll of \$895,000. The time-line for job creation is as follows:

2014 - 10 new fulltime jobs
2015 - 12 new fulltime jobs
2016 - 3 new fulltime jobs.

(CPW)

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.

1A. Total Project Costs receiving Real Property Exemption: \$1,575,000

Real Property Tax Matrix

Projected Tax Year	YR1	YR2	YR3	YR4	YR5	YR6	YR7	YR8	YR9	YR10	TOTALS
Estimated Value of Real Property Improvements	\$1,575,000	\$1,575,000	\$1,575,000	\$1,575,000	\$1,575,000	\$1,575,000	\$1,575,000	\$1,575,000	\$1,575,000	\$1,575,000	\$1,575,000
Exemption Schedule	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5
Exempted Value	\$787,500	\$787,500	\$787,500	\$787,500	\$787,500	\$787,500	\$787,500	\$787,500	\$787,500	\$787,500	\$787,500
Taxable Value	\$787,500	\$787,500	\$787,500	\$787,500	\$787,500	\$787,500	\$787,500	\$787,500	\$787,500	\$787,500	\$787,500
Assessment	0.35	0.35	0.35	0.35	0.35	0.35	0.35	0.35	0.35	0.35	0.35
Net Real Property Tax Rate (1/(\$1000))*	69.9710558	69.9710558	69.9710558	69.9710558	69.9710558	69.9710558	69.9710558	69.9710558	69.9710558	69.9710558	69.9710558
Total Real Property Tax Foregone (Taxable Value x 35% + tax rate)	\$19,286	\$19,286	\$19,286	\$19,286	\$19,286	\$19,286	\$19,286	\$19,286	\$19,286	\$19,286	\$192,858
Net New Tax Revenue Taxable Value x 35% + tax rate)	\$19,286	\$19,286	\$19,286	\$19,286	\$19,286	\$19,286	\$19,286	\$19,286	\$19,286	\$19,286	\$192,858

Total Real Property Tax Foregone over Project Term:

Total New Real Property Tax Revenue generated over Project Term:

\$192,858
\$192,858

*2012 Tax Rate = 75.8
Comm/Ind Rate 0.076899*75.8 = 5.8289442
75.8 - 5.8289442 = 69.9710558

DATE: OCTOBER 7, 2013

CLERK: MARY BETH BAILEY

MASSILLON CITY COUNCIL
CITY OF MASSILLON, OHIO
TONY M. TOWNSEND, PRESIDENT

COUNCIL CHAMBERS

LEGISLATIVE DEPARTMENT

ORDINANCE NO. 117 - 2013

BY: COMMUNITY DEVELOPMENT COMMITTEE

TITLE: AN ORDINANCE repealing Ordinance No. 181 – 2001 and Ordinance No. 50 - 2005, and rescinding the Enterprise Zone Agreement with Cloverleaf Cold Storage, and declaring an emergency.

WHEREAS, in Ordinance No. 181 – 2001 and Ordinance No. 50 - 2005, Council authorized a tax abatement with Cloverleaf Cold Storage; and

WHEREAS, pursuant to the passage of this ordinance, the City of Massillon entered into an Enterprise Zone Agreement; and

WHEREAS, the company has been sold to Fresh Mark which is the purpose of the rescinding the Enterprise Zone Agreement; and

WHEREAS, in order for the Stark County Auditor and the State of Ohio to adjust the records, the tax abatement needs to be rescinded.

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

Section 1:

That Ordinance No. 181 – 2001 and Ordinance No. 50 - 2005 be and are hereby repealed.

Section 2:

There the Enterprise Zone Agreement between the City of Massillon and Cloverleaf Cold Storage is hereby rescinded.

Section 3:

This Ordinance is declared to be an emergency measure immediately necessary for the preservation of the health, safety and welfare the community, and for the additional reason that the ordinance needs to be repealed and the Enterprise Zone Agreement needs to be rescinded so that the government entities may be rightfully adjusted. 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. 2nd page is the signature page

DATE: OCTOBER 7, 2013

CLERK: MARY BETH BAILEY

MASSILLON CITY COUNCIL
CITY OF MASSILLON, OHIO
TONY M. TOWNSEND, PRESIDENT

COUNCIL CHAMBERS

LEGISLATIVE DEPARTMENT

ORDINANCE NO.118 – 2013

BY: FINANCE COMMITTEE

TITLE: AN ORDINANCE making certain appropriations from the unappropriated balance of the General Fund, TIF Service Payment Fund, Parks and Recreation Fund, 1414 Collection System Improvement Fund, 2105 Stormwater Utility Fund, Income Tax Capital Improvement Fund, Tax Increment Fund and the Local Law Enforcement Trust Fund, for the year ending December 31, 2013, 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 General Fund, for the year ending December 31, 2013, the following:

\$124,000.00 to an account entitled "Income Tax Refunds" 1100.210.2720

Section 2:

There be and hereby is appropriated from the unappropriated balance of the TIF Service Payment Fund, for the year ending December 31, 2013, the following:

\$57,183.12 to an account entitled "School District TIF's" 3109.905.2379

Section 3:

There be and hereby is appropriated from the unappropriated balance of the Parks and Recreation Fund, for the year ending December 31, 2013, the following:

\$25,000.00 to an account entitled "Services/Contracts Legends" 1234.920.2392

\$25,000.00 to an account entitled "Food/Beverage Contracted Services" 1234.920.2393

Section 4:

There be and hereby is appropriated from the unappropriated balance of the 1414 Collection System Improvement Fund, for the year ending December 31, 2013, the following:

✓ \$25,000.00 to an account entitled "Sanitary Sewer Improvements" 1414.610.2510

Section 5:

There be and hereby is appropriated from the unappropriated balance of the 2105 Stormwater Utility Fund, for the year ending December 31, 2013, the following:

✓ \$15,000.00 to an account entitled "Services/Contracts" 2105.435.2392

Section 6:

There be and hereby is appropriated from the unappropriated balance of the Income Tax Capital Improvement Fund, for the year ending December 31, 2013, the following:

\$2,923.15 to an account entitled "Services/Contracts" 1401.305.2392

Section 7:

There be and hereby is appropriated from the unappropriated balance of the Tax Increment Fund, for the year ending December 31, 2013, the following:

\$2,670.25 to an account entitled "Fees" 1340.905.2382

Section 8:

There be and hereby is appropriated from the unappropriated balance of the Local Law Enforcement Trust Fund, for the year ending December 31, 2013, the following:

\$1,500.00 to an account entitled "Services/Contracts" 1215.305.2392

Section 9:

The Clerk of Council is authorized to correct any typographical errors discovered herein during or after the pendency or passage of this ordinance. The Clerk of Council is further authorized, in conjunction with the Law Department and the Council President to correct any ministerial or de minimis errors that do not substantially alter the intended results or numerical total sums of this ordinance, during or after the pendency or passage of this ordinance. Corrected copies are to be sent to all official recipients.

Section 10:

This Ordinance is hereby declared to be an emergency measure, for the efficient operation of the various departments of the City of Massillon and for the preservation of the public 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.

DATE: OCTOBER 7, 2013

CLERK: MARY BETH BAILEY

MASSILLON CITY COUNCIL
CITY OF MASSILLON, OHIO
TONY M. TOWNSEND, PRESIDENT

COUNCIL CHAMBERS

LEGISLATIVE DEPARTMENT

ORDINANCE NO. 119 - 2013

BY: FINANCE COMMITTEE

TITLE: AN ORDINANCE making certain transfers in the 2013 appropriations from within the General Fund, for the year ending December 31, 2013, 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 transferred from the 2013 appropriation from within the General Fund, for the year ending December 31, 2013, the following:

FROM:	Travel/Seminar Schooling	1100.160.2389	\$ 340.00
	Supplies/Materials/Postage	1100.160.2410	\$ 1,322.03
	Workers Compensation	1100.905.2270	\$ 1,360.04
	Insurance	1100.905.2312	\$ 9,116.57
TO	Energy Savings Lease	1100.410.2333	\$ 7,675.85
	Services/Contracts	1100.105.2392	\$ 1,360.04
	Services/Contracts	1100.410.2392	\$ 1,636.06
	Supplies/Materials/Postage	1100.410.2410	\$ 1,466.69

Section 2:

There be and hereby is transferred from the 2013 appropriation from within the General Fund, for the year ending December 31, 2013, the following:

FROM:	Workers Compensation	1100.905.2270	\$57,500.63
TO	Disability & Pension Transfer	1100.305.2710	\$27,064.71
	Police Pension Fund		
	Disability & Pension Transfer	1100.325.2710	\$30,435.92
	Fire Pension Fund		

Section 3:

The Clerk of Council is authorized to correct any typographical errors discovered herein during or after the pendency or passage of this ordinance. The Clerk of Council is further authorized, in conjunction with the Law Department and the Council President to correct any ministerial or de minimis errors that do not substantially alter the intended results or numerical total sums of this ordinance, during or after the pendency or passage of this ordinance. Corrected copies are to be sent to all official recipients.

Section 4:

That this Ordinance is hereby declared to be an emergency measure, the reason for the emergency being that said funds are necessary for the preservation of the public health, safety and welfare of the community and for the additional reason that the funds are required in the specific accounts to pay city obligations by the end of 2013. 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 _____ 2013

APPROVED: _____
MARY BETH BAILEY, CLERK OF COUNCIL

TONY M. TOWNSEND, PRESIDENT

APPROVED: _____

KATHY CATAZARO-PERRY, MAYOR