

ORDINANCE C-03-14

AN ORDINANCE TO AUTHORIZE THE CITY ADMINISTRATOR TO ENTER INTO A JOBS DEVELOPMENT AND INCENTIVE AGREEMENT WITH S&T AUTOMOTIVE AMERICA AND DECLARING AN EMERGENCY

WHEREAS, S&T Automotive America is seeking to locate its first United States production facility; and

WHEREAS, S&T is looking to develop a facility to manufacture automotive parts, specifically shock absorbers, in the City of Grove City; and

WHEREAS, it is estimated that this Project will create 80 jobs with an estimated payroll of \$2.2 million dollars and a fixed asset investment of \$6.5 million in machinery and equipment, building, etc; and

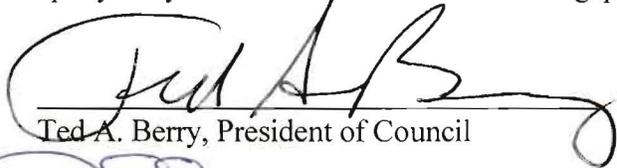
WHEREAS, the Jobs Development and Incentive Agreement discussed herein is a major factor in S&T's decision to locate in the City.

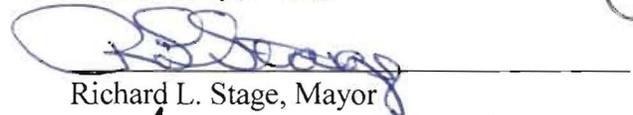
NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF GROVE CITY, STATE OF OHIO, THAT:

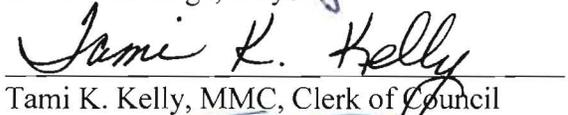
SECTION 1. The Council hereby accepts the Jobs Development and Incentive Agreement with S&T Automotive America and authorizes the City Administrator to enter into said agreement, attached hereto as Exhibit "A".

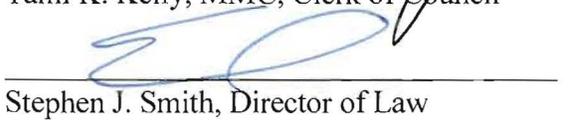
SECTION 2. While the general terms of the Jobs Development and Incentive Agreement have been finalized, City Council recognizes that additional changes may be necessary in order to finalize the Agreement. Accordingly, the City Administrator is hereby authorized to make necessary changes so long as they do not materially affect the terms and conditions approved herein and/or increase the City's financial commitment/obligations under the Agreement.

SECTION 3. This ordinance is hereby declared to be an emergency necessary for the immediate preservation of the public health, safety and general welfare of the community. The reason for such necessity is that the company desires to begin its operations as soon as possible and the execution of this agreement and the incentives contained therein are necessary before the Company may move forward with the hiring process. Therefore, this ordinance shall go into immediate effect.


Ted A. Berry, President of Council


Richard L. Stage, Mayor


Tami K. Kelly, MMC, Clerk of Council


Stephen J. Smith, Director of Law

Passed: 02-03-14

Effective: 02-03-14

Attest:

I certify that this ordinance is correct as to form.

Exhibit A
C-03-14

JOBS DEVELOPMENT AND INCENTIVE AGREEMENT

THIS DEVELOPMENT AND INCENTIVE AGREEMENT (this "Agreement") is made and entered into this the ____ day of _____, 2014 by and between the City of Grove City, Ohio, (the "City"), a municipal corporation and political subdivision organized and existing under the Constitution and laws of the State of Ohio, and S&T Automotive America, a _____ Corporation (the "Company").

RECITALS

WHEREAS, the Company is S&T Automotive America; and

WHEREAS, the Company's corporate offices are located at _____ and the Company is seeking to purchase an existing property located at 3900 Gantz Road, Grove City, Ohio 43123 (the "Project Site"); and

WHEREAS, the Company will utilize the Project Site for manufacturing automotive parts, specifically, shock absorbers (the "Project"); and

WHEREAS, the Company plans to bring approximately Eighty (80) new jobs to the City with an anticipated payroll of approximately Two Million Two Hundred Thousand Dollars (\$2,200,000.00); and

WHEREAS, in addition, the Company plans on making an estimated Six Million Five Hundred Thousand Dollar (\$6,500,000.00) capital investment in the Project Site; and

WHEREAS, the Company has the financial responsibility and business experience to create employment and improve the economic welfare of the people of the City; and

WHEREAS, the Development and Incentive Agreement discussed herein is a major factor in the Company's decision to locate in the City; and

NOW, THEREFORE, in consideration of the mutual promises and covenants contained herein, the parties, intending to be legally bound, agree as follows:

Section 1. Based on a review of the relevant information, the City has determined the following:

- A. The Project will bring new jobs to the City.
- B. The Project will benefit the people in the City by bringing new employment opportunities and strengthening the economy of the City.
- C. Receiving the Development and Incentive Agreement is a major factor in the Company's decision to go forward with the Project in the City.

Section 2. Agreements of the City. The City hereby agrees as follows:

A. Economic Inducements:

1. **Grant.** The City assisted and supported a request for a grant, in the amount of \$25,000, from the Grove City Community Improvement Corporation for improvements to the Project Site.
2. **Payroll Tax Sharing.** As set forth herein, the City agrees to pay to the Company a financial incentive based on the withholding tax paid by the employees, at the Project Site:
 - i. During the first Two (2) years of this Agreement, the City agrees to pay an amount equal to Seventy Five Percent (75%) of the net payroll tax payments collected from all employees in a calendar year from the Company at the Project Site; and
 - ii. During years Three (3) through Seven (7) of this Agreement, the City agrees to pay an amount equal to Fifty Percent (50%) of the net payroll tax payments collected from all employees in a calendar year from the Company at the Project Site.
 - iii. These payments will commence following the end of the first calendar year following the execution of this Agreement. The Payroll Tax Sharing incentive period will expire seven (7) years from the date of execution of this Agreement.
 - iv. During the term of this incentive, the Company shall submit to the City an annual statement, certified by the Company's Chief Financial Officer or other officer authorized to sign tax returns, containing the total number of employees employed in the City, their respective payroll and City income tax withheld. Company shall submit these materials to the City prior to the end of the first quarter of the tax year following the end of the tax year for which the Company is seeking payment.
3. **Real Property Tax Abatement.** The Project Site is located in an existing Community Revitalization Area ("CRA 2"). Following the submission of the application for exemption, the City will support the following:
 - i. A Ten (10) year, One Hundred Percent (100%) tax abatement for the existing structure, which the Franklin County Auditor deems to increase the market value; and
 - ii. A Fifteen (15) year, One Hundred Percent (100%) tax abatement for any new construction, which the Franklin County Auditor deems to increase the market value.

- B. **Planning and Zoning Related Approvals.** The Director of Development will assist the Company in pursuing the necessary planning and zoning related approvals under the City's Codified Ordinances.
- C. **Other Incentives.** The City assisted the Company in obtaining a Six (6) year Fifty (50%) tax credit from the State of Ohio Tax Credit Authority.

Section 3. Agreements of the Company. The Company hereby agrees as follows:

- A. **Timeline.** The Company shall commence its move into the City as soon as practicable and to be substantially moved in and operating within twelve (12) months, absent events beyond the Company's reasonable control.
- B. **Planning and Zoning Related Approvals.** The Company will obtain any and all necessary planning and zoning related approvals under the City's Codified Ordinances.
- C. **Records, Access and Maintenance.** The Company shall establish and maintain for at least Two (2) years following end of this Agreement all relevant supporting documentation. The Parties further agree that the Company shall, at its own cost and expense, segregate all such records related to the Project from its other records of operation. The Company may redact any information that is not material to this Agreement or that is confidential/trade secret.

Section 4. Authority, Execution and Delivery. Each party to this Agreement represents and warrants to each other party as follows:

- A. **Authority.** It has the full right, power and authority to enter into this Agreement and to carry out its obligations hereunder, and the execution and delivery of this Agreement and the performance of its obligations hereunder have been duly and validly authorized by all necessary action.
- B. **Execution and Delivery.** This Agreement has been duly executed and delivered by it, and constitutes a valid and binding obligation of it, enforceable against it in accordance with its terms.

Section 5. Miscellaneous.

- A. **Amendment or Waiver.** No amendment or waiver of any provision of this Agreement shall be effective against any party hereto unless in writing and signed by that party.
- B. **Counterparts.** This Agreement may be executed in any number of counterparts, each of which shall be an original and all of which together shall constitute one and the same agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed and delivered as of the day and year first above written.

CITY OF GROVE CITY

Charles W. Boso, Jr., City Administrator

By: _____

Its: _____

APPROVED AS TO FORM:

Stephen J. Smith
Law Director, City of Grove City