

A RESOLUTION AUTHORIZING THE MAYOR AND THE FINANCE DIRECTOR TO ENTER INTO A NEW CITY JOBS CREATION TAX CREDIT AGREEMENT WITH GRAND EAGLE COMPANIES, INC. AND DECLARING AN EMERGENCY

BE IT RESOLVED by the Council of the Village of Richfield, Summit County, State of Ohio:

SECTION 1. That the Mayor and the Finance Director be, and they hereby are, authorized and directed to enter into a New City Jobs Creation Tax Credit Agreement with Grand Eagle Companies, Inc., a copy of which Agreement is attached hereto as Exhibit "A" and incorporated herein fully as if by reference.

SECTION 2. This Resolution is hereby declared to be an emergency measure necessary for the immediate preservation of the public health, safety and welfare and for the further reason that it is immediately necessary in order to provide for new employment opportunities in the Village at the earliest possible time; wherefore, provided this Resolution receives the affirmative vote of two-thirds of the members of Council elected or appointed, it shall take effect immediately upon its passage and execution by the Mayor; otherwise, it shall take effect and be in force from and after the earliest period allowed by law.

PASSED: March 20, 2001

Michael J. Peters
President of Council

Ronald W. Farsen
Mayor

Dated: 3/20/2001

ATTEST:
Carole Gibson
Clerk of Council

NEW CITY JOBS CREATION TAX CREDIT AGREEMENT

THIS AGREEMENT, made and entered into this ____ day of _____, 2001 by and between the Village of Richfield, Ohio, a municipal corporation (the "Village") and Grand Eagle Companies, Inc., a _____ (the "Company").

RECITALS

The Company has its corporate offices located at _____, _____, Ohio _____. The Company is seeking to acquire the facilities and other assets of _____ located at _____, Richfield, Ohio.

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

1. Findings and Conclusions of the Village.

A. The Village hereby finds that:

a. The Company has the financial responsibility and business experience to create and preserve employment opportunities in the Village and to improve the economic climate of the Village, County, State and surrounding areas.

b. The Company proposes to lease approximately _____ square feet in the Village with associated equipment and inventory valued at approximately \$ _____ million (the "Project").

c. The Project (i) will create jobs in the State, Village and County, (ii) is economically sound and will increase opportunities for employment and strengthen the economy of these areas and (iii) receiving the tax credits provided in O.R.C. Sections 122.17 and 718.08 are major factors in the Company's decisions to undertake the Project in the State and Village.

d. For the purposes of this Agreement, a "Qualified New Employee" means any new full-time employee hired within seven (7) years of the "Beginning Date" which the Company projects to be seventy-two (72) full-time employees at the Project.

e. For the purposes of this Agreement, the "Beginning Date" is the acquisition date of the Project by the Company.

B. The Village has reviewed the Project and the Project has been approved by the Village.

C. The Village has submitted parts of the Economic Development Incentive Package to its Village Council (the "Council") for its review and approval and all parts submitted have been approved.

_____, 200__ and for seven (7) consecutive fiscal years of the Company thereafter (the "Tax Credit Period").

The Company shall submit annually to the Auditor (the "Village Auditor") and to the Village, copies of the State Department of Development Director's certificate of verification; provided, however, failure by the Company to submit a copy of the certificate does not invalidate a claim for the Tax Credit.

The Company shall also submit to the Village Auditor the following information to verify such Village Tax Credits.

The Company agrees that if no application to the Tax Credit Authority of the State is made or if the Authority does not grant the Tax Credit as referenced in the preceding paragraph, then this Agreement is null and void and the Village shall have no further obligation to grant a New Jobs Tax Credit to the Company.

1. An annual, cumulative, alphabetical list of all new employees, employed at the Premises pursuant to this Agreement with the following information:

- a. name;
- b. address;
- c. social security number;
- d. hire date;
- e. the individual gross wages for the applicable year for FICA purposes of each new employee; and
- f. the individual amount of Village withholding tax withheld from each new employee's wage.

2. A calculation of the Village Tax Credit for the applicable year shall be determined as follows:

The Total Amount of Village of Richfield Income Tax Withheld From
New Employees During the Applicable Tax Year

X

The Applicable Tax Credit Percentage (13.25%)

=

The Tax Credit for the Applicable Tax Year

The Village and all its departments acknowledge that all this information is confidential and agree that it shall be used only for the computation and verification of the Village

Tax Credit. The Village agrees that it shall not disclose this information to any person(s) not needing this information for such computation or verification.

C. The Village acknowledges that the Authority has granted the Tax Credit described in paragraph B above. Pursuant to approval by Village Council (Ordinance No. ___-2001, passed _____, 2001) and in compliance with the Legislation, the Village grants a New Job Tax Credit of thirteen and one-quarter percent (13.25%) (the "Village Tax Credit") of the Village's income tax revenue derived from the wages of the Company's Employees employed by the Company at the Premises as a result of the Project for a period of seven (7) years. The parties agree that should the Village Tax Credit reduce the Company's Village Income Tax liability below zero in any year during the period of the Village Tax Credit, the Village shall refund the difference of the Company's unused Village Tax Credit to the Company in each of such years.

The Village hereby grants the Company the Village Tax Credit commencing with the year beginning _____, 200__ and for seven (7) consecutive fiscal years thereafter. The Village acknowledges that the Company shall commence employing new employees at the Project prior to _____, 200__ as a result of the development of the Project.

D. The Village and the Company agree to take any and all action necessary or appropriate to effect, claim, preserve and maintain the tax credits described in this Agreement, including without limitation, joining in the execution of all applications, agreements and other documents and providing any necessary certifications or designations required in connection with the new Tax Credit and the Village Tax Credit.

5. The Company agrees that if it should move its operation, close the facility or be placed in receivership or bankruptcy, this contract shall be automatically terminated and the Village shall have no further obligation to grant a New Jobs Tax Credit to the Company.

6. Miscellaneous.

A. Successors and Assigns. The terms and provisions hereof shall bind and inure to the benefit of the parties hereto and their respective heirs, successors and permitted assigns (including successive as well as immediate successors and assigns).

B. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Ohio.

C. Waiver. The failure of any party hereto to enforce at any time any of the provisions of this Agreement shall in no way be construed to be a waiver of any such provision, nor in any way affect the validity of this Agreement or any part hereof, or the right of such party thereafter to enforce each and every provision. No waiver of any breach of or noncompliance with this Agreement shall be held to be a waiver of any other or subsequent breach or noncompliance.

D. Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one and the same Agreement.

E. Provisions Severable. If any provision of this Agreement or the application of any such provision to any such person or any circumstance shall be determined to be invalid or unenforceable, then such determination shall not affect any other provision of this Agreement or the application of such provisions to any other person or circumstance, all of which other provisions shall remain in full force and effect; and, if any provision of this Agreement is capable of two constructions, one of which would render the provision invalid, then such provision shall have the meaning which renders it valid.

F. Captions. The captions contained in this Agreement were included only for convenience or reference and do not define, limit, explain or modify this Agreement or its interpretation, construction or meaning and are in no way to be construed as a part of this Agreement.

G. Assignment. The Company shall have the right to assign this Agreement to any of its successors or assigns.

H. Notifications. Any notices, statements, acknowledgments, consents, approvals, certificates or requests required to be given on behalf of any party to this agreement shall be made in writing addressed as follows and sent by registered or certified mail, return receipt requested:

If to the Village: Village of Richfield
4410 West Streetsboro Road
P. O. Box 387
Richfield, Ohio 44286-0387
Attention: Mayor

If to the Company: _____

or at such other address as may be specified by any party, from time to time, by prior written notification.

IN WITNESS WHEREOF, the parties have executed or caused this Agreement to be executed by their duly authorized representatives to be effective as of the date first above written.

Signed in the presence of :

VILLAGE OF RICHFIELD

By: _____
Its Mayor

And: _____
Its Finance Director

GRAND EAGLE COMPANIES, INC.

By: _____
Its _____

And: _____
Its _____

APPROVED AS TO FORM:

Law Director, Village of Richfield

Village of Richfield

4410 W. STREETSBORO ROAD
P.O. BOX 387
RICHFIELD, OHIO 44286-0387
330-659-9201
FAX 330-659-4906

DONALD H. LARSEN, Mayor
MICHAEL K. LYONS, Council President

ELEANOR LUKOVICS, Finance Director
MELANIE TIBBS, Service Director

FAX TRANSMITTAL COVER

Company Name: State of Ohio, Department of Development

Contact Name: Mr. Daryl Hennessy or Mr. John Venters

Fax Number: 614-644-1789

Sender: Carole Gibson, Clerk of Council

Description: Resolution No. 37-2001 - Agreement with Grand Eagle Companies

adopted 3/20/2001

Number of pages (not including cover): 7

Date Sent: 3/20/2001

Time Sent: 9:45 p.m.

If there are any Problems with this transmission, please call:

at (330) 659-9201 immediately.