

RESOLUTION NO. R94-8

A RESOLUTION CONSENTING TO AN ENTERPRISE ZONE TAX ABATEMENT AGREEMENT BETWEEN THE CITY OF OBERLIN, THE BOARD OF LORAIN COUNTY COMMISSIONERS AND ALDEN PRESS, A CORPORATION ORGANIZED AND EXISTING UNDER THE LAWS OF THE STATE OF OHIO; AUTHORIZING AND DIRECTING THE CITY MANAGER TO EXECUTE THE AFOREMENTIONED AGREEMENT ON BEHALF OF THE CITY OF OBERLIN; AUTHORIZING THE CLERK OF THIS COUNCIL TO TRANSMIT TO THE BOARD OF THE LORAIN COUNTY COMMISSIONERS FOR FURTHER CONSIDERATION BY THE BOARD, AND DECLARING AN EMERGENCY

WHEREAS, the Council of the City of Oberlin by Ordinance No. 91-23, adopted May 6, 1991, and amended by Ordinance No. 91-76, adopted September 16, 1991, requested that the Board of Lorain County Commissioners petition the Director of Development of the State of Ohio to certify the City of Oberlin as an Enterprise Zone in accordance with the provisions of Chapter 5709 of the Ohio Revised Code; and,

WHEREAS, on July 12, 1991, the Board of Lorain County Commissioners petitioned the Director of Development of the State of Ohio to certify the City of Oberlin as an Enterprise Zone; and,

WHEREAS, effective September 21, 1991, the Director of Development of the State of Ohio determined that the City of Oberlin contains the characteristics set forth in Ohio Revised Code Section 5709.61 to qualify as an Enterprise Zone under Section 5709.63 of the Ohio Revised Code; and,

WHEREAS, Alden Press, a corporation organized and existing under the laws of the State of Ohio, has submitted an Enterprise Zone Abatement Proposal on a form prescribed for that purpose by the Director of Development of the State of Ohio setting forth the outline of a plan to construct a new facility on Artino Road located within the Enterprise Zone in the City of Oberlin by Alden Press in order to operate a manufacturing facility, and to hire new employees, or to preserve employment opportunities for existing employees within the City of Oberlin Enterprise Zone; and has requested that the City of Oberlin grant one or more tax abatement incentives mentioned in Section 5709.62 of the Ohio Revised Code in exchange for implementation of the aforementioned plan.

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Oberlin, County of Lorain, State of Ohio, five-sevenths (5/7ths) of all members elected thereto concurring:

SECTION 1. That the City Manager be and hereby is authorized and directed to execute an Enterprise Zone Tax Abatement Agreement with Alden Press, an Ohio corporation located at 235 Artino Street, Oberlin, Ohio, in substantially the form as set forth in Exhibit A attached

hereto and made a part hereof as if fully rewritten herein.

SECTION 2. That the Clerk of Council is hereby directed to immediately transmit a certified copy of this Resolution, along with the Enterprise Zone Agreement to the Board of Lorain County Commissioners for further consideration by the Board.

SECTION 3. It is hereby found and determined that all formal actions of this Council concerning or relating to the adoption of this resolution were adopted in an open meeting of the Council and that all deliberations of this Council and any of its committees that related in such formal action, were in meetings open to the public in compliance with all legal requirements, including Section 121.22 of the Ohio Revised Code.

SECTION 4. That this Resolution is hereby declared to be an emergency measure necessary for the preservation of the public peace, health and safety of the citizens of the City of Oberlin, Ohio, to wit:

"To authorize a tax incentive agreement at the earliest possible date in order to allow the proposed business expansion to proceed according to schedule"

and shall take effect immediately upon passage.

APPROVED:

1st Reading - September 6, 1994 (E)  
2nd Reading -  
3rd Reading -

ATTEST:

  
\_\_\_\_\_  
CLERK OF COUNCIL

  
\_\_\_\_\_  
CHAIR OF COUNCIL

POSTED: September 9, 1994

EFFECTIVE DATE: September 6, 1994

## OHIO ENTERPRISE ZONE AGREEMENT

This agreement made and entered into by and between the City of Oberlin, Ohio, a municipal corporation with its main offices located at 85 South Main Street, Oberlin, Ohio 44074 (hereinafter referred to as the City) and Alden Press, an Ohio Corporation with its main offices located at 2000 Arthur Avenue, Elk Grove Village, Illinois 60007 (hereinafter referred to as Alden Press).

### WITNESSETH:

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

WHEREAS, Alden Press is desirous of expanding its current facility by constructing a fifty-four thousand square foot (54,000 sf) manufacturing facility (hereinafter referred to as the "PROJECT") within the boundaries of the aforementioned Enterprise Zone, provided that the appropriate development incentives are available to support the economic viability of said PROJECT; and,

WHEREAS, the Council of the City of Oberlin, Ohio, by Ordinance No. 91-23 AC CMS adopted May 6, 1991 and amended by Ordinance No. 91-76 AC CMS, adopted September 16, 1991, designated the area as an "Enterprise Zone" pursuant to Chapter 5709 of the Ohio Revised Code; and,

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

WHEREAS, Alden Press has submitted a proposed agreement application (herein attached as Exhibit A) to the City, said application hereinafter referred to as "APPLICATION"; and,

WHEREAS, Alden Press 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 Enterprise Zone Manager and Negotiation Committee of the City have investigated the application of Alden Press and have recommended the same to the Council of the City of Oberlin on the basis that Alden Press is qualified by financial responsibility and business experience to create and preserve employment opportunities in said Enterprise Zone and improve the economic climate of the City; and,

WHEREAS, the project site as proposed by Alden Press is located in the Oberlin City School District and said school district as been notified in accordance with Section 5709.83 of the Revised Code and has been given a copy of the APPLICATION; and,

WHEREAS, pursuant to Section 5709.62(C) of the Ohio Revised Code, 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 the matter as hereinafter contained.

NOW, THEREFORE, in consideration of the mutual covenants hereinafter contained and the benefit to be derived by the parties from the execution hereof, the parties hereto agree as follows:

1. Alden Press shall construct a fifty-four thousand square foot (54,000 sf) addition onto its current fifty thousand square foot (50,000 sf) facility at 235 Artino Street, Oberlin, Ohio, 440074 in order to expand its manufacturing facility.

In addition, Alden Press will purchase and install new machinery and equipment, including but not limited to web offset printing presses, in-line finishing equipment, and warehouse and material handling equipment.

The PROJECT will involve a total investment by Alden Press of Thirty-Seven Million Five Hundred Thousand Dollars (\$37,500,000), plus or minus ten percent (10%), at the 235 Artino Street site. Included in this investment are Two Million Dollars (\$2,000,000) for construction of the facility, Thirty Million Five Hundred Thousand Dollars (\$30,500,000) to purchase machinery and equipment, and Five Million Dollars (\$5,000,000) for new inventory.

There is an existing inventory base level of Two Million, Five Hundred Thirty-Nine Thousand Dollars (\$2,539,000) for tax year 1993.

The PROJECT will begin in October, 1994, and all acquisition, construction and installation will be completed by June, 1995.

The total investment of this expansion project is greater than 10% of the market value of the facility assets already owned at the site prior to such expenditures as evidenced in Exhibit A.

2. Alden Press shall create within a time period not exceeding 36 months after the commencement of construction of the aforesaid facility the equivalent of 42 new full-time permanent job opportunities, and Alden Press will use its best efforts to retain 129 existing full-time equivalent jobs at the 235 Artino Street facility.

Alden Press schedule for hiring is as follows: create 12 new jobs in Year One (construction) and 30 new full-time permanent jobs in Year Two. The job *creat* period begins December, 1994, and all jobs will be in place by December, 1997.

Alden Press currently has 129 full-time permanent employees at the project site.

In total, Alden Press has 129 full-time permanent employees in the State of Ohio.

The increase of 42 full-time permanent employees will result in approximately Eight Hundred Seventy Thousand Dollars (\$870,000) of additional annual payroll for Alden Press. The retention of the existing jobs will maintain the current annual payroll of Three Million Six Hundred Ninety-Five Thousand Dollars (\$3,695,000).

3. Alden Press shall provide to the proper Tax Incentive Review Council any information reasonably required by the Council to evaluate the enterprise's compliance with this agreement, including returns filed pursuant to Section 5711.02 of the Ohio Revised Code, if requested by the Council.

Alden Press shall use its best efforts to ensure that twenty percent (20%) of its work force resides in the Oberlin School District. Alden Press will also use its best efforts to increase the percentage of minority employees within the company to twenty-two percent (22%) by the end of the year.

4. The City hereby grants a tax exemption pursuant to Section 5709.63 of the Revised Code for eligible new tangible personal property acquired in conjunction with the PROJECT and described as:

50% on all machinery, equipment, furniture and fixtures acquired as part of the PROJECT. Each identified project improvement will receive a ten-year exemption period. The exemption commences the first year during which the tangible personal property would be taxable were that property not exempted from taxation. No exemption shall commence after December 31, 1995, nor extend beyond December 31, 2004.

5. The City hereby grants Alden Press a tax exemption for real property improvements made to the PROJECT site pursuant to Section 5709.63 of the Ohio Revised Code and shall be in the following amounts:

<u>Year of Tax Exemption</u>	<u>Tax Exemption Amount</u>
Year 1	50%
Year 2	50%
Year 3	50%
Year 4	50%
Year 5	50%
Year 6	50%
Year 7	50%
Year 8	50%
Year 9	50%
Year 10	50%

Each identified project improvement will receive a 10-year exemption period. The exemption commences the first year for which the real property would first be taxable were that property not exempted from taxation. No exemption shall commence after December 31, 1995, nor extend beyond December 31, 2004.

Alden Press must file the appropriate tax forms with the County Auditor (DTE 23) and the State Department of Taxation (#913) to effect and maintain the exemptions covered in this agreement. In order to allow the City to verify the amount of personal property tax exemption due, Alden Press shall, within 10 days of filing with the Lorain County Auditor, provide the Oberlin City Auditor a complete copy, with all schedules attached, of its County Return of Taxable Business Property for all years covered by this agreement. In addition, the #913 Ohio tax form must be filed annually with the City.

6. Alden Press shall pay an annual fee equal to the greater of one percent of the dollar value of incentives offered under the agreement or Five Hundred Dollars (\$500); provided, however, that if the value of the incentives exceeds Two Hundred fifty Thousand Dollars (\$250,000), the fee shall not exceed Two Thousand Five Hundred Dollars (\$2,500).

The fee shall be made payable to the City once per year, beginning June 1, 1995, for each year the agreement is effective, on the days and in the following form: certified check. The fee is to be delivered to the Enterprise Zone Manager and is to be payable to the City of Oberlin. This fee shall be deposited in a special fund created for such purpose and shall be used exclusively for the purposes 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.

7. Alden Press shall pay such real land 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 Alden Press fails to pay such taxes or to 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.
8. The City 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 necessary certification in connection with such tax exemptions.
9. If for any reason said enterprise zone designation expires, the Director of the Ohio Department of Development revokes certification of the zone, or the City

revokes the designation of the zone, entitlements granted under this agreement shall continue for the number of years specified under this agreement, unless Alden Press materially fails to fulfill its obligations under this agreement and the City terminates or modifies the exemptions from taxation granted under this agreement.

10. If Alden Press materially fails to fulfill its obligations under this agreement, or if the City determines that the certification as to delinquent taxes required by this agreement is fraudulent, the City may terminate or modify the exemptions from taxation granted under this agreement and may require the repayment of the amount of taxes that would have been payable had the property not been exempted from taxation under this agreement.
11. Alden Press hereby certifies that at the time this agreement is executed, Alden Press does not owe any delinquent real or tangible personal property taxes to any taxing authority of the State of Ohio, and does not owe delinquent taxes for which Alden Press is liable under Chapter 5733, 5735, 5739, 5741, 5743, 5747, or 5753 of the Revised Code, or, if such delinquent taxes are owed, Alden Press is 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 in Bankruptcy under Chapter 11 U.S.C.A. 101, et seq., or such a petition has been filed against Alden Press. For the purposes of the certification, delinquent taxes are those taxes that remain unpaid on the latest day prescribed for payment without penalty under the chapter of the Revised Code governing said taxes.
12. Alden Press and the City acknowledge that this agreement must be approved by formal action of the legislative authority of the City Council of Oberlin and the Board of County Commissioners of Lorain County as such a condition for the agreement to take effect. This agreement takes effect upon such approval.
13. The City has developed a policy to ensure recipients of Enterprise Zone tax benefits practice non-discriminatory hiring in its operations. By executing this agreement, Alden Press is committing to following non-discriminatory hiring practices acknowledging that no individual may be denied employment solely on the basis of race, religion, sex, disability, color, national origin, or ancestry.
14. Exemptions from taxation granted under this agreement shall be revoked if it is determined that Alden Press, 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 3735.61 or Section 5609.63 of the Ohio Revised Code prior to the time prescribed by that division or either of those sections.

15. This agreement is not transferrable or assignable without the express written approval of the City.

IN WITNESS WHEREOF, the City of Oberlin, Ohio, by Gary W. Goddard, its City Manager, and pursuant to Resolution Number R94-8 CMS, has caused this instrument to be executed on this \_\_\_\_ day of September, 1994, and Alden Press, by Gary Minnig, its Executive Vice President, has caused this instrument to be executed on this \_\_\_\_ day of September, 1994.

CITY OF OBERLIN, OHIO

by: \_\_\_\_\_  
Gary W. Goddard, City Manager

Alden Press

by: \_\_\_\_\_  
Gary Minnig, Executive Vice President

APPROVED AS TO FORM:

\_\_\_\_\_  
Eric R. Severs, City Solicitor