

**Cuyahoga Falls City Council**  
**Minutes of the Community Development Committee Meeting**  
**October 16, 2006**

**Members:** Diana Colavecchio, Chair  
Kathy Hummel  
Mary Ellen Pyke

Mrs. Colavecchio called the meeting to order at 7:21 p.m. All members were present.

The minutes of October 2, 2006 were approved as submitted.

**Legislation Considered:**

Temp. Ord. A-114  
Temp. Ord. A-115  
Temp. Ord. A-123

**Discussion:**

**Temp. Ord. A-114**

An ordinance authorizing the Mayor to enter into a Community Reinvestment Area Agreement with Gojo Industries, Incorporated and declaring an emergency.

Mrs. Colavecchio read A-114 (second reading). Mrs. Truby said that tax abatements allow local communities to stay competitive in the global marketplace. This ordinance provides an incentive for Gojo Industries to continue to reinvest in our community. In 2002, the City approved an Enterprise Zone and CRA for Gojo for the first phase of their master plan at the State Road facility. To date, Gojo has invested over \$10 million under the EZ program. However, the CRA was rescinded in November 2003 due a change in plans. Gojo is now prepared to further invest in the facility. The total investment on this project is \$22 million, including \$17 million for construction of a new 350,000 sq. ft. building. The company will retain 744 jobs and transfer 84 jobs to the new facility for a total payroll of \$2.5 million.

Mrs. Truby said this ordinance provides for a 100% abatement for 15 years. Gojo would receive an estimated \$5.4 million in abatement as a result of this agreement. By law, if a new payroll exceeds \$1 million, the school and municipality must enter into a tax-sharing agreement or split the revenue 50/50. The City has agreed to give the Woodridge School District approximately \$800,000 in various services. Gojo will give the school approximately \$233,000 in donations, scholarships, and products. The school district will receive \$288,000 in new taxes based on increased value of the land (not abated).

Mrs. Truby said the City stands to gain a projected \$79 million from future investment in the new industrial park.

Mark Lerner, president of Gojo, gave a short presentation on the history and growth of the company. The company currently has 744 employees in the Cuy. Falls location, 84 employees at the Stow warehouse, 252 employees at the Akron headquarters, and 8 employees at its North Carolina facility. Under the 2002 EZ program (50% tax abatement over 10 years), Gojo committed to spending \$17.7 million in capital, adding 61 positions to State Road, and achieving payroll of \$1.5 million. The company has spent \$14 million in capital, added 98 positions, and achieved a payroll of \$3.1 million. The CRA approved in 2002 was put on hold.

Mr. Lerner said that SARS has contributed to the company's growth. The proposed expansion will include a 350,000 sq. ft. warehouse and allow for the transfer of 84 employees from Stow.

Mr. Gorbach asked if the 744 employees includes temporary workers, and whether they pay income taxes to Cuy. Falls. He asked Mr. Brodzinski to look into it.

Mrs. Hummel asked why the abatement is necessary, given the strong growth rate of the company. Mr. Lerner said that while growth has been phenomenal, the basic structure of the business is the same as it was four years ago. Based on market conditions, the competitive landscape is such that many communities would be interested in companies like Gojo that are willing to make substantial investments. Gojo hasn't considered expanding anywhere else because they want to fulfill their obligation to invest in the City.

Mrs. Hummel would like the language in the agreement to specifically state that Gojo will retain 744 employees, transfer 84 employees from Stow, and add 8 new employees.

Mrs. Colavecchio asked if Gojo has plans for any further expansion in the industrial complex. Mr. Lerner said no, but the company would consider other manufacturers who might be interested in locating in the park.

Woodridge School Superintendent Jeff Graham said the board has approved the agreements with the City and Gojo.

Mayor Robart commended Mrs. Truby for facilitating the agreement and thanked the school district for their cooperation.

Mrs. Colavecchio recommended the following changes/additions to the agreement: 1) Inclusion of a reference to the new 74-acre business park, describing the partnership arrangement between the City and Gojo; 2) A narrative from Mr. Lerner outlining the need for the tax abatement; 3) A specific commitment by Gojo to retain 744 jobs.

Mr. Gorbach asked when construction would begin. Mr. Lerner said he hopes construction can begin this year, with estimated completion sometime in 2008.

*The Committee recommended bringing out A-114 for approval.*

**Temp. Ord. A-115**

An ordinance authorizing the Director of Public Service to enter into a contract or contracts, according to law, for the construction of a new roadway, including the extension of water and sewer lines south of Steels Corners Road to be dedicated as a public street and declaring an emergency.

Mrs. Colavecchio read A-115 (second reading). Mrs. Truby said the road construction will cost approximately \$728,000. The State will pay 50%. The other \$364,000 will be paid by the City from its CDBG funds.

Mrs. Colavecchio inquired about the timetable for road construction. Mrs. Truby said the City will consult with Gojo. She hopes the warehouse and road construction can be done simultaneously.

Mr. Gorbach asked about the deadline for road construction established by the State. Mrs. Truby said the money must be spent by a certain date to avoid penalty. Mr. Gorbach also asked if the road construction is an integral part of the Gojo expansion project. Mr. Lerner said yes.

*The Committee recommended bringing out A-115 for approval.*

**Temp. Ord. A-123**

An ordinance authorizing the Mayor to enter into a Community Reinvestment Area Agreement with Roadrunner Dawes Freight Systems, Incorporated and Kiesland, Incorporated and declaring an emergency.

Mrs. Colavecchio read A-123 (second reading). Ms. Syx said Roadrunner Dawes is a transportation company currently located in Richfield where they are leasing space. They would like to construct a new 50,000 sq. ft. facility in our industrial park. This agreement calls for an 8-year abatement on construction of the new facility which is estimated at \$2.6 million. Although school board approval is not required, the company has agreed to an annual cash gift to the district of \$2,500 per year (or \$20,000) over the life of the agreement.

Mrs. Colavecchio said she would like the agreement to include a firm commitment from the company that the jobs in Richfield will be relocated to Cuyahoga Falls. Ms. Syx said the agreement will be re-worded.

Mr. Walters asked how many of these jobs are considered transient, and how many are subject to local income tax. Jeff Nott (Roadrunner terminal manager) said 26 employees would be housed at the facility.

Mr. Gorbach inquired about the estimated completion date. Mr. Nott said they hope to break ground as soon as possible, with estimated completion in 2007.

***The Committee recommended bringing out A-123 for approval.***

The meeting adjourned at 8:35 p.m.