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3
4 CITY OF CUYAHOGA FALLS, OHIO

5 ORDINANCE NO. 108 -2014
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7
8 AN ORDINANCE AUTHORIZING THE DIRECTOR
9 OF COMMUNITY DEVELOPMENT TO ENTER
10 INTO A COMMUNITY REINVESTMENT AREA
11 AGREEMENT WITH HARBOR CASTINGS, INC.,
12 AND DECLARING AN EMERGENCY.
13

14 WHEREAS, the City of Cuyahoga Falls designated an O.R.C. Chapter 3735 Community
15 Reinvestment Area by virtue of Ordinance No. 95-2004 to encourage the development of
16 real property within the Cuyahoga River Community Reinvestment Area; and
17

18 WHEREAS, the City of Cuyahoga Falls has designated a certain area within City that
19 has been certified by the State of Ohio Development Service Agency (FKA Ohio
20 Department of Development) as a Community Reinvestment Area enabling it to exempt
21 certain real property taxes imposed on industry provided said industry creates or retains
22 jobs and makes a significant investment within the certified zone; and
23

24 WHEREAS, the City Council and the Administration wish to provide assistance to
25 Harbor Castings, Inc. for the relocation and consolidation of two manufacturing facilities
26 to Cuyahoga Falls.
27

28 NOW, THEREFORE, BE IT ORDAINED by the Council of the City of Cuyahoga Falls,
29 County of Summit, and State of Ohio, that:
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31 Section 1. The Director of Community Development is hereby authorized to enter into
32 a Community Reinvestment Area (CRA) Agreement in accordance with Ohio Revised Code
33 §§3735.67 and 3735.671, with Harbor Castings Inc. consistent with Ordinance No. 95-
34 2004 and the terms in the proposed CRA Application attached hereto as Exhibit A, to
35 provide real property tax relief at the percentage and length of abatement as stipulated in
36 said Application to benefit the City and being consistent with the objectives of this
37 ordinance.
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39 Section 2. Council further authorizes the Mayor, Director of Finance, Director of
40 Community Development, Director of Law and any other city officials, individually and/or
41 collectively as may be appropriate, to prepare and execute such other documents and do
42 other things as are necessary for and incidental to carrying out the requirements of this
43 legislation consistent with the terms of the attached Application.
44

45 Section 3. Any ordinances or resolutions or portions of ordinances and resolutions
46 inconsistent herewith are hereby repealed, but any ordinances and resolutions not
47 inconsistent herewith and which have not previously been repealed are hereby ratified
48 and confirmed.
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50 Section 4. It is found and determined that all formal actions of this Council
51 concerning and relating to the adoption of this ordinance were adopted in an open
52 meeting of this Council, and that all deliberations of this Council and of any of its
53 committees that resulted in such formal action, were in meetings open to the public, in
54 compliance with all legal requirements, to the extent applicable, including Chapter 107 of
55 the Codified Ordinances.

56
57 Section 5. This ordinance is hereby declared to be an emergency measure necessary
58 for the preservation of the public peace, health, safety, convenience and welfare of the
59 City of Cuyahoga Falls and the inhabitants thereof, and provided it receives the
60 affirmative vote of two thirds of the members elected or appointed to Council, it shall take
61 effect and be in force immediately upon its passage and approval by the Mayor; otherwise
62 it shall take effect and be in force at the earliest period allowed by law.

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66 Passed: 12/22/2014

Mary Ellen Ryke
President of Council

David Quinn
Clerk of Council

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74 Approved: 12-23-2014

[Signature]
Mayor

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77 12/8/14

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DRAFT UNTIL APPROVED BY CITY COUNCIL
EXHIBIT A

PROPOSED AGREEMENT for Community Reinvestment Area Tax Incentives between the City of Cuyahoga Falls located in the County of Summit and Harbor Castings, Inc.

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

<u>Harbor Castings, Inc.</u>	<u>Charles L Lane II</u>
Enterprise Name	Contact Person
<u>2508 Bailey Road, Cuyahoga Falls, Ohio 44221</u>	<u>330-499-7178</u>
Business Address	Telephone Number
<u>2186 Glenross Drive, Uniontown, Ohio 44685</u>	
Home Address	
<u>lanechuck@msn.com</u>	
Contact Email	

- b. Project site:

2508 Bailey Road, Cuyahoga Falls, Ohio 44221
Address

02-12834, 02-12832, 02-12831, 02-12830, 02-12829 and 02-12828
Parcel Numbers

<u>Chuck Lane</u>	<u>330-499-7178</u>	<u>LaneChuck@msn.com</u>
Contact Person,	Telephone Number,	Email address

2. a. Nature of commercial/industrial activity (manufacturing, warehousing, wholesale or retail stores, or other) to be conducted at the site. Please be specific with details.

Harbor Castings is

- b. List primary 6 digit North American Industry Classification System (NAICS) #3324

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

Muskegon, Michigan: 10-15 jobs to be transferred
North Canton, Ohio: 60 jobs to be transferred
Total Assets: 5.5 million

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

S- Corporation

3. Name of principal owner(s) or officers of the business.

Charles L Lane II and C. Richard Lynham

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

Full Time: 0 Part Time: 0

b. Will the project involve the relocation of employment positions or assets from one Ohio location to another? Yes x No

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:

North Canton, Stark County Ohio to 2508 Bailey Road, Cuyahoga Falls, Summit County, Ohio

d. State the enterprise's current employment level in Ohio (itemized for full and part-time and permanent and temporary employees):

52 Full Time Permanent and 16-20 Full Time Temporary employees. Zero Part Time employees.

e. State the enterprise's current employment level for each facility to be affected by the relocation of employment positions or assets:

52 Full Time Permanent and 16-20 Full Time Temporary. Zero Part Time Employees.

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

We will be looking at 50-55 full time positions and another 9-10 salaried positions. All the Assets of the Corporation will be relocated to Cuyahoga Falls. Roughly \$5.2 million in assets.

5. Does the Property Owner 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 owed 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, amounts and/or case identification numbers- N/A

6. Project Description. Be as detailed as possible:

This will be a total relocation of two manufacturing facilities into one location. We will be moving equipment from Michigan as well as North Canton, Ohio. The building in the Falls will be renovated to add walls and air conditioning and also to add new equipment quoted as part as the overall project. A large part of the project will be the adding of a High Pressure Gas Line and the installation of 480 3-phase electric of which the building does not have at this time.

7. Project will begin on December 1, 2014 and be completed by March 1, 2015 provided a tax exemption is provided.

8. a. Estimate the number of new employees the property owner will cause to be created at the facility that is the project site (job creation projection must be itemized by the name of the employer, full and part-time and permanent and temporary):

60 Full Time Permanent Employees and 20 Full Time Temporary Employees

- b. State the time frame of this projected hiring: 6 months

- c. State proposed schedule for hiring (itemize by full and part-time and permanent and temporary employees):

10 Full Time Permanent hires by Jan. 2015
10 Full Time Temporary hires by Jan 2015
Zero Part Time

9. 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).

a. \$ 2,530,000 Full Time Permanent Employees
\$300,000.00 Full Time Temporary Labor
Zero Part Time

- b. Indicate separately the amount of existing annual payroll relating to any job retention claim resulting from the project: \$0 (N/A)

10. An estimate of the amount to be invested by the enterprise to establish, expand, renovate or occupy a facility:

A. Acquisition of Land:	\$ 825,000.00
B. Additions/New Construction:	\$ 80,000.00
C. Improvements to existing buildings:	\$ 100,000.00
D. Machinery & Equipment:	\$ 350,000.00
E. Furniture & Fixtures:	\$ 0
F. Inventory:	\$ 2,000,000.00
Total New Project Investment:	\$ 3,350,000.00

11.

a. Business requests the following tax exemption incentives: 50 % for 10 years covering the real property improvements as described above.

a. Business's reasons for requesting tax incentives (be quantitatively specific as possible)

We are consolidating 2 separate manufacturing locations into one location in Cuyahoga Falls. We have researched the Akron/Canton area for building sites. Cuyahoga Falls is attractive. I personally grew up in the Falls and was a 1979 graduate. I have been President of the Cuyahoga Falls Little League and also managed for a number of years after my sons were grown. Because of my involvement in the Falls I came to locate the building on bailey road. The Cost of running all the new electric and the consolidation of 2 plants from different states along with all the moving expenses it would be very helpful if we could get some tax incentives to help with this huge undertaking.

Harbor castings originated in 1974 in North Canton, Ohio. It is an investment casting foundry serving the aerospace, defense, military and commercial markets. We actively pursue keeping manufacturing jobs here in the United States. Actually challenging our customers to give us a shot before they place work overseas. In 1992 the current ownership bought the current company out of bankruptcy and saved numerous jobs at that time. In 2000 we bought another company in Muskegon, Mi. out of bankruptcy and saved 18 full time jobs at that location. Since 2000 we have grown from 1.5 million in sales to 9.5 million in sales per year. Our employment has grown to almost 80 employees.

We are excited about this opportunity in the Falls since it will allow us to move all operations under one roof which should strengthen the company and its ability to continue to compete and grow in the future.

Harbor Castings greatly appreciates the consideration being given and looks forward to an exciting future in the City of Cuyahoga Falls.

Submission of this application expressly authorizes the City of Cuyahoga Falls to contact the Ohio Environmental Protection Agency to confirm statements contained within this application including item # 5 and to review applicable confidential records. As part of this application, the property owner may also be required to directly request from the Ohio Department of Taxation, or complete a waiver form allowing the Department of Taxation to release specific tax records to the local jurisdiction considering the request.

The 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 2921.13(D)(1) penalties for falsification which could result in the forfeiture of all current and future economic development assistance benefits as well as a fine of not more than \$1,000 and/or a term of imprisonment of not more than six months.

Charles L Lane II	President/CEO
_____ Name of Property Owner	_____ Title
_____ Signature	_____ Date

For City Use Only

** Attach to Final Community Reinvestment Area Agreement as Exhibit A

Please note that copies of this proposal must be included in the finalized Community Reinvestment Area Agreement and be forwarded to the Ohio Department of Taxation and the Ohio Development Services Agency within fifteen (15) days of final approval.