

2
3 CITY OF CUYAHOGA FALLS, OHIO

4
5 ORDINANCE NO. 39 -2016

6
7 AN ORDINANCE AUTHORIZING THE DIRECTOR OF
8 COMMUNITY DEVELOPMENT TO ENTER INTO A
9 COMMUNITY REINVESTMENT AREA TAX EXEMPTION
10 AGREEMENT WITH DECKER FASTENERS LIMITED,
11 AND DECLARING AN EMERGENCY.
12

13
14 WHEREAS, pursuant to Ordinance No. 69-2006, passed June 26, 2006, this
15 Council established and designated the boundaries of the Cuyahoga Falls Northern
16 Community Reinvestment Area ("CRA") pursuant to Ohio Revised Code §3735.65 et
17 seq., to encourage the development of real property within the CRA; and
18

19 WHEREAS, the State of Ohio Director of Development has made a determination
20 that the findings contained in Ord. No. 69- 2006 are valid, and that the classification
21 of structures and/or remodeling eligible for exemption under the Ordinance is
22 consistent with zoning restrictions applicable to the CRA, and
23

24 WHEREAS, with receipt of the Director's positive determination, the City is
25 enabled to abate certain taxes on real property located in the CRA, in order to
26 provide an incentive for the creation and retention of jobs and investment within the
27 CRA; and
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29 WHEREAS, this Council has determined to provide economic development
30 assistance in the form of tax abatement to Decker Fasteners Limited, in connection
31 with the construction of a new 25,153 SF warehouse, improvements to existing
32 building and of corresponding inventory for parcel number 35-05703, 90 Cuyahoga
33 Falls Industrial Parkway, hereinafter the "Project".
34

35 NOW, THEREFORE, BE IT ORDAINED by the Council of the City of Cuyahoga
36 Falls, County of Summit, and State of Ohio, that:
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38 Section 1. The Director of Community Development is hereby authorized to
39 enter into a Community Reinvestment Area tax exemption agreement in accordance
40 with Ohio Revised Code §§3735.67 and 3735.671, with Decker Fasteners Limited,
41 consistent with Ordinance No. 69-2006 and the terms set forth in the application for
42 tax exemption attached hereto as Exhibit A, to provide the Project with an exemption
43 from real property tax at (or not exceeding) the percentage and for (or not exceeding)
44 the duration stipulated in said application.
45

46 Section 2. This Council further authorizes the Mayor, Director of Finance,
47 Director of Community Development, Director of Law and any other city officials,
48 individually and/or collectively as may be appropriate, to prepare and execute such

49 other documents and do other things as are necessary or incidental to carrying out
50 the requirements of this legislation consistent with the terms of the attached
51 application.

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53 Section 3. Any ordinances or resolutions or portions of ordinances and
54 resolutions inconsistent herewith are hereby repealed, but any ordinances and
55 resolutions not inconsistent herewith and which have not previously been repealed
56 are hereby ratified and confirmed.

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58 Section 4. It is found and determined that all formal actions of this Council
59 concerning and relating to the adoption of this ordinance were adopted in an open
60 meeting of this Council, and that all deliberations of this Council and of any of its
61 committees that resulted in such formal action, were in meetings open to the public,
62 in compliance with all legal requirements including Chapter 107 of the Codified
63 Ordinances.

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

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74 Passed: 5/23/16

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82 Approved: 5-26-16

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85 5/9/16

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President of Council



Clerk of Council



Mayor

PROPOSED AGREEMENT for Community Reinvestment Area Tax Incentives between the City of Cuyahoga Falls located in the County of Summit and:

Decker Fasteners Limited

(Company Name)

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

| | |
|---------------------------------------|---------------------|
| <u>Decker Fasteners Limited (DFL)</u> | <u>John C. Hagy</u> |
| Enterprise Name | Contact Person |

| | |
|---|---------------------|
| <u>90 Cuyahoga Falls Industrial Parkway</u> | <u>330 926 2070</u> |
| Address | Telephone Number |

| |
|----------------------------|
| <u>JohnH@deckernut.com</u> |
| Contact Email |

Project site:

| | |
|---|-----------------|
| <u>90 Cuyahoga Falls Industrial Parkway</u> | <u>35.05703</u> |
| Address | Parcel Number |

| | |
|---------------------|------------------|
| <u>John C. Hagy</u> | |
| Contact Person | Telephone Number |

| |
|----------------------------|
| <u>Johnh@deckernut.com</u> |
| Contact Email |

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.

Decker is a distributor and processor of metal fasteners primarily for the automotive industry. Decker provides its customers with customized Engineering, manufacturing and worldwide sourcing capabilities. Decker's facility in Cuyahoga Falls currently houses over \$5,000,000 in inventory serving automotive customers all over the world.

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

Business may list other relevant SIC numbers.

3452

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

N/A

- d. Form of business of enterprise:

Corporation Partnership Proprietorship Other

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

John C. Hagy, Executive Vice President-Decker

Steve Konkle, CEO-Decker

Bernie Konkle, COO-Decker

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

Full Time: 27 Part Time: 2
(To be considered full time the individual must work at least 35 hours per week.)

b. Will the project involve the relocation of employment positions or assets from one Ohio location to another? Yes 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:

N/A

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

| | Permanent | Temporary |
|-----------|-----------|-----------|
| Full Time | 27 | 1 |
| Part Time | 2 | |

(To be considered full time the individual must work at least 35 hours per week.)

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

N/A

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

N/A

5. Does the Property Owner Currently Owe:

a. Any delinquent taxes to the State of Ohio or a political subdivision of the state?

Yes No

b. Any moneys to the State or a state agency for the administration or enforcement of any environmental laws of the State? Yes No

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

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:

An additional 25,153 square foot warehouse area will be added to the east end of the current building. This structure will include two additional truck docks.

Plans also include adding a 2,664 square foot office addition. This could be done as a second phase of the project.

7. Project will begin on June 1, 2016 and be completed by December 1, 2016 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):

| | Permanent | Temporary |
|-----------|-----------|-----------|
| Full Time | 10 | |
| Part Time | 1 | |

(To be considered full time the individual must work at least 35 hours per week.)

b. State the time frame of this projected hiring: 60 months.

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

We plan to hire 10 full time employees and 1 part time employee by December 31st, 2021.

9. a. 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).

| | Permanent | | Temporary | |
|-----------|-----------|---------|-----------|--|
| Full-time | \$ | 285,000 | \$ | |
| Part-time | \$ | 15,000 | \$ | |
| TOTAL: | \$ | 300,000 | \$ | |

(To be considered full time the individual must work at least 35 hours per week.)

b. Indicate separately the amount of existing annual payroll relating to any job retention claim resulting from the project: \$ 1,700,000.

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

| | | |
|---------------------------------------|-----------|-------------------------|
| A. Acquisition of Land/Buildings | \$ | _____ |
| B. Additions/New Construction | \$ | <u>1,500,000</u> |
| C. Improvements to Existing Buildings | \$ | <u>100,000</u> |
| D. Machinery & Equipment | \$ | <u>100,000</u> |
| E. Furniture & Fixtures | \$ | <u>50,000</u> |
| F. Inventory | \$ | <u>1,000,000</u> |
| Total New Project Investment | \$ | <u>2,750,000</u> |

11.

a. Business requests the following tax exemption incentives: 75 %
for 15 years covering the real property improvements as described above.

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

Decker Fasteners requires the tax incentive that is available for the sole purpose of expanding its operation in Cuyahoga Falls to preserve and create more employment opportunities. The cost of the project is a very large investment for the company. The project without the requested tax incentive will make it unfeasible. The company has investigated and has determined the better fiscal decision would be to move to another existing building outside of Cuyahoga Falls if the tax incentive is not granted. The project cost on a per square foot basis vs. an existing building purchase would be much more expensive. The requested tax abatement will make the total project sensible for the company. Decker has been in Cuyahoga Falls since 2003. Decker has doubled its revenue in the last 5 years creating twelve new jobs. The company's business plan outlines an aggressive growth strategy for the future. Decker prefers to stay in Cuyahoga Falls but to stay a competitive viable company in the industry it must always make prudent financial decisions.

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.

John C Hagy
Name of Property Owner

Executive V.P.
Title

Signature

Date