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CITY OF CUYAHOGA FALLS, OHIO

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ORDINANCE NO. *lele* -2017

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AN ORDINANCE AUTHORIZING THE DIRECTOR OF
COMMUNITY DEVELOPMENT TO ENTER INTO A
COMMUNITY REINVESTMENT AREA TAX EXEMPTION
AGREEMENT WITH McHALE GROUP LTD AND EAGLE
ELASTOMER INCORPORATED, AND DECLARING AN
EMERGENCY.

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

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

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WHEREAS, with receipt of the Director's positive determination, the City is
enabled to abate certain taxes on real property located in the CRA, in order to
provide an incentive for the creation and retention of jobs and investment within the
CRA; and

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WHEREAS, this Council has determined to provide economic development
assistance in the form of tax abatement to McHale Group Ltd and Eagle Elastomer
Incorporated, in connection with the construction of a new approximate 15,900 SF
warehouse and manufacturing structure and corresponding inventory for parcel
number 35-05746, 70 Cuyahoga Falls Industrial Parkway, hereinafter the "Project".

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NOW, THEREFORE, BE IT ORDAINED by the Council of the City of Cuyahoga
Falls, County of Summit, and State of Ohio, that:

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Section 1. The Director of Community Development is hereby authorized to
enter into a Community Reinvestment Area tax exemption agreement in accordance
with Ohio Revised Code §§3735.67 and 3735.671, with McHale Group Ltd and Eagle
Elastomer Incorporated consistent with Ordinance No. 69-2006 and the terms set
forth in the application for tax exemption attached hereto as Exhibit A, to provide the
Project with an exemption from real property tax at (or not exceeding) the percentage
and for (or not exceeding) the duration stipulated in said application.

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Section 2. This Council further authorizes the Mayor, Director of Finance,
Director of Community Development, Director of Law and any other city officials,

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49 individually and/or collectively as may be appropriate, to prepare and execute such
50 other documents and do other things as are necessary or incidental to carrying out
51 the requirements of this legislation consistent with the terms of the attached
52 application.
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54 Section 3. Any ordinances or resolutions or portions of ordinances and
55 resolutions inconsistent herewith are hereby repealed, but any ordinances and
56 resolutions not inconsistent herewith and which have not previously been repealed
57 are hereby ratified and confirmed.
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59 Section 4. It is found and determined that all formal actions of this Council
60 concerning and relating to the adoption of this ordinance were adopted in an open
61 meeting of this Council, and that all deliberations of this Council and of any of its
62 committees that resulted in such formal action, were in meetings open to the public,
63 in compliance with all legal requirements including Chapter 107 of the Codified
64 Ordinances.
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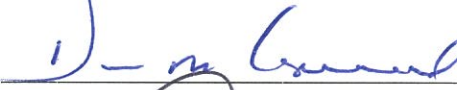
66 Section 5. This ordinance is hereby declared to be an emergency measure
67 necessary for the preservation of the public peace, health, safety, convenience and
68 welfare of the City of Cuyahoga Falls and the inhabitants thereof, and provided it
69 receives the affirmative vote of two thirds of the members elected or appointed to
70 Council, it shall take effect and be in force immediately upon its passage and
71 approval by the Mayor; otherwise it shall take effect and be in force at the earliest
72 period allowed by law.
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75 Passed: 9-25-17




President of Council

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80 Clerk of Council



Clerk of Council

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83 Approved: 9-28-2017



Mayor

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85 9/11/17

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

McHale Group LTD and Eagle Elastomer Inc.
(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>Eagle Elastomer, Inc.</u>	<u>Regan McHale</u>
Enterprise Name	Contact Person

<u>70 Cuyahoga Falls Industrial Parkway</u> Peninsula, OH 44264	<u>330.923.7070</u>
Address	Telephone Number

rmchale@eagleelastomer.com

Contact Email

Project site:

<u>70 Cuyahoga Falls Industrial Parkway</u> Peninsula, OH 44264	<u>35-05746</u>
Address	Parcel Number

<u>Regan McHale</u>	<u>330.923.7070</u>
Contact Person	Telephone Number

rmchale@eagleelastomer.com

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.

Eagle Elastomer has been manufacturing flouroelastomer products for a wide range of markets since 1983. They provide custom mixed compounds and fully cured extrusions and sheet products. Their manufacturing process requires sophisticated technology, a world class facility and a skilled, dedicated workforce.

The Cuyahoga Falls/Peninsula location handles all manufacturing, warehousing and distribution of its products for industries such as oil and gas, aerospace and defense. This is their sole location and it is their desire to expand at their current site.

- b. List primary 6 digit North American Industry Classification System (NAICS) #
Business may list other relevant SIC numbers.
NAICS: 326299 | SIC: 3069
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- c. If a consolidation, what are the components of the consolidation? (must itemize the location, assets, and employment positions to be transferred):

Not a consolidation

- d. Form of business of enterprise:

Corporation Partnership Proprietorship Other

McHale Group LTD – Limited Liability Company Eagle Elastomer – S Corp

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

Neil X. Mchale, Regan Mchale, Neil S. Mchale, Liam Mchale, Vertina Mchale

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

Full Time: 44 Part Time: 3

(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	44	
Part Time	3	

(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:

Eagle Elastomer plans to construct a building addition of approximately 15,900 square feet to their current facility in Cuyahoga Falls in order to expand their manufacturing and warehousing capabilities. This expansion positions Eagle Elastomer for anticipated growth and allows them to remain competitive in the marketplace. Additional machinery and equipment are also planned to support the expansion. Automation is key to being competitive and reduces safety risks to employees and staff.

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Project will begin on Fall 2017 and be completed by Spring 2018

provided a tax exemption is authorized

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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	-	-
Part Time	-	-

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

b. State the time frame of this projected hiring: N/A

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

N/A

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	\$	-	\$	-
Part-time	\$	-	\$	-
TOTAL:	\$	-	\$	-

(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: \$ 2,830,275.00.

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

A. Acquisition of Land	\$ -	
B. Additions/New Construction		\$ <u>900,000.00</u>
C. Improvements to Existing Buildings		
	\$ -	\$ <u>250,000</u>
D. Machinery & Equipment		
E. Furniture & Fixtures	\$ -	
F. Inventory	\$ -	
Total New Project Investment		\$ <u>1,150,000.00</u>

11.

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

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

Since 1983, Eagle Elastomer has provided fluoroelastomer products to a wide variety of industries including oil and gas, aerospace, automotive, mining and chemical processing to name a few. They are planning an expansion to their facility in order to increase their capacity and remain competitive in the market place. Automation is key in this industry and essential to be competitive. As such Eagle must upgrade machinery and equipment and provide new space for anticipated growth. As Council may recall, Eagle attempted this expansion in 2015, however, due to financial constraints, construction issues and dealing with a still-recovering economy, they were not able to move forward as planned.

Since that time, Eagle has been able to increase their footprint in the industry and are ready and poised for growth. While they do anticipate to grow their employee base in the years to come, Eagle must be diligent as to their budget, therefore, as of the authoring of this document, this project is necessary in order to retain the strong base of employees. Further, construction costs have continued to rise making new construction projects costly. For all these reasons, Eagle Elastomer respectfully requests real property tax incentives through the City's Community Reinvestment Area program.

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.

<u>McHale Group LTD</u>	<u>President</u>
_____	_____
Name of Property Owner	Title

<u></u>	<u>7/20/2017</u>
Signature	Date