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3 CITY OF CUYAHOGA FALLS, OHIO

4  
5 ORDINANCE NO. 81 -2014

6  
7 AN ORDINANCE AUTHORIZING THE DIRECTOR OF  
8 COMMUNITY DEVELOPMENT TO ENTER INTO A  
9 COMMUNITY REINVESTMENT AREA TAX EXEMPTION  
10 AGREEMENT WITH MENARD, INC, AND DECLARING  
11 AN EMERGENCY.  
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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 Menard, Inc., in connection with  
31 development of a home improvement and building material retail store to be located  
32 on the north side of Graham Road, hereinafter the "Project".  
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34 NOW, THEREFORE, BE IT ORDAINED by the Council of the City of Cuyahoga  
35 Falls, County of Summit, and State of Ohio, that:  
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37 Section 1. The Director of Community Development is hereby authorized to  
38 enter into a Community Reinvestment Area tax exemption agreement in accordance  
39 with Ohio Revised Code §§3735.67 and 3735.671, with Menard, Inc., consistent with  
40 Ordinance No. 69-2006 and the terms set forth in the application for tax exemption  
41 attached hereto as Exhibit A, to provide the Project with an exemption from real  
42 property tax at (or not exceeding) the percentage and for (or not exceeding) the  
43 duration stipulated in said application.  
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45 Section 2. This Council further authorizes the Mayor, Director of Finance,  
46 Director of Community Development, Director of Law and any other city officials,  
47 individually and/or collectively as may be appropriate, to prepare and execute such  
48 other documents and do other things as are necessary or incidental to carrying out

49 the requirements of this legislation consistent with the terms of the attached  
50 application.

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53 resolutions inconsistent herewith are hereby repealed, but any ordinances and  
54 resolutions not inconsistent herewith and which have not previously been repealed  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

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

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

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Passed:

9/22/2014

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Approved:

9-23-2014

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9/8/14

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May Ellen Pyke  
President of Council

Daniel Gauri  
Clerk of Council

[Signature]  
Mayor

EXHIBIT A

**PROPOSED AGREEMENT** for Community Reinvestment Area Tax Incentives between the City of Cuyahoga Falls, Ohio located in the County of Summit and Menard, Inc., a Wisconsin Corporation.

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

<u>Menard, Inc</u>	<u>Darren Appleby</u>
Enterprise Name	Contact Person
<u>5101 Menard Drive, Eau Claire, WI 54703</u>	<u>(715)876.2274</u>
Address	Telephone Number
	<u>dappleby@menard-inc.com</u>
Contact Email	

- b. Project site:

<u>Graham Road</u>	
Address	Parcel Number
<u>Tom O'Neil (715)876.2810</u>	<u>toneil@menard-inc.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.

Menards home improvement and building material supply retailer.

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

Business may list other relevant SIC numbers. 444110

- 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

3. Name of principal owner(s) or officers of the business. John Menard, Jr.

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

Full Time: Zero

Part Time: Zero

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

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): Full Time: 1,428 / Part Time: 2,168

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 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:

Menard, Inc is under contract with two (2) property owners to assemble the necessary acreage to build a Menards home improvement and building supply store. This will involve the demolition of the former Giant Eagle, grading the former Giant Eagle property in conjunction with the property to the north and construction of the Menards store. The goal is to perform the bulk of this work in 2015 with store opening scheduled early 2016.

7. Project will begin on June 1, 2015 and be completed by April 15, 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):

Full Time: 40 / Part Time: 80

b. State the time frame of this projected hiring: Six (6) months

c. State proposed schedule for hiring (itemize by full and part-time and permanent and temporary employees): All employees will be hired in the months immediately leading up to the opening of the store.

9.

a. Estimate the amount of annual payroll such new employees will add: \$2,250,000  
(new annual payroll must be itemized by full and part-time and permanent and temporary new employees).

b. Indicate separately the amount of existing annual payroll relating to any job retention claim resulting from the project: 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:	\$4,600,000
B. Additions/New Construction:	\$7,500,000
C. Improvements to existing buildings:	\$0
D. Machinery & Equipment:	\$0
E. Furniture & Fixtures:	\$1,000,000
F. Inventory:	\$7,000,000

**Total New Project Investment: \$20,100,000**

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)

Multi-parcel assemblages are inherently more difficult and more expensive than dealing with a single property owners. In addition, the redevelopment of existing improvements and facilities also results in increased project costs., This is even more true in this instance in that Menard, Inc cannot even re-utilize the existing improvements, but instead will be incurring further heightened costs related to demolition, remediation, utility abandonment, etc. The proposed tax abatement is needed to offset, what are in this instance, extraordinary property acquisition and redevelopment costs.

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.

Menard, Inc. Real Estate Acquisition Representative

Name of Property Owner Title

Signature Date