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COUNCIL CHAMBER

City of Berea, Ohio

ORDINANCE No. 2014-89

By Dale A. Lange Sponsored By Mayor Cyril M. Kleem
AN ORDINANCE

APPROVING AND AUTHORIZING THE MAYOR TO ENTER INTO AN AGREEMENT FOR A JOB CREATION TAX CREDIT WITH COATINGS RESEARCH GROUP, INC. PURSUANT TO THE AUTHORITY OF ORDINANCE 2010-29, AND DECLARING AN EMERGENCY.

WHEREAS, Berea City Council approved Ordinance 2010-29 on April 20, 2010 which authorizes the Mayor or his or her designee to negotiate a Job Creation Tax Credit Agreement with businesses located in Berea that create new jobs, or, businesses located outside of the Berea that bring new jobs to the City of Berea; and

WHEREAS, in order to qualify for a Job Creation Tax Credit, a business must create at least five (5) new jobs in the City of Berea and maintain an annual payroll of at least \$100,000.00; and

WHEREAS, any Job Creation Tax Credit Agreement negotiated by the Mayor or his or her designee shall not be effective until approved by Berea City Council; and

WHEREAS, Coatings Research Group, Inc. (hereinafter referred to as "CRGI") is a company that specializes in the laboratory testing and research of paint; and

WHEREAS, CRGI has left a facility it rented in another community and has purchased a facility located at 125 Pelret Industrial Parkway, Berea, Ohio, 44017; and

WHEREAS, CRGI will move all its current staff of seven (7) employees with an annual payroll in excess of \$500,000.00 to the Pelret Facility, and all testing and research of paint will now take place at said facility; and

WHEREAS, CRGI and the City of Berea (hereinafter referred to as "CITY") desire to enter into a Job Creation Tax Credit Agreement.

NOW, THEREFORE, BE IT ORDAINED by the Council of the City of Berea, State of Ohio:

SECTION 1. That the Mayor or his designee be and he is hereby authorized to enter into a Job Creation Tax Credit Agreement with Coatings Research Group, Inc. in substantially the form of the Agreement attached hereto as Exhibit "A" and incorporated herein by reference.

SECTION 2. That it is found and determined that all formal actions of this Council concerning and relating to the adoption of this Ordinance were adopted in an open meeting of this Council, and that all deliberations of this Council and of any of its committees that resulted in such formal actions were in meetings open to the public in compliance with all legal requirements, including Section 121.22 of the Ohio Revised Code.

SECTION 3. That this Ordinance is hereby declared to be an emergency measure necessary for the immediate preservation of the public peace, property, health, safety and welfare, or providing for the usual daily operation of municipal departments, and for the further reason that it is necessary to have this agreement effective and in place by January 1, 2015, so that Coatings Research Group, Inc. can complete the establishment of its operations in Berea. Therefore, provided this Ordinance receives the affirmative vote of two-thirds of all members elected to Council, it shall take effect and be in force immediately upon its passage and approval by the Mayor; otherwise from and after the earliest period allowed by law.

COUNCIL CHAMBER

City of Berea, Ohio

Ord. No. 2014-89

By Lange Sponsored By Mayor Kleem

PASSED: December 15, 2014

ATTEST: [Signature]
Clerk of Council

[Signature]
President of Council
APPROVED: December 16, 2014
[Signature]
Mayor

Approved as to form:

[Signature]
Director of Law

JOB CREATION TAX CREDIT AGREEMENT
BETWEEN COATINGS RESEARCH GROUP, INC.
AND THE CITY OF BERA

This Agreement is made and entered into by and between Coatings Research Group, Inc. and the City of Berea, Ohio pursuant to the authority of Ordinance No. 2010-29, adopted April 20th 2010 and Ordinance No. 2014-~~89~~ adopted December 15, 2014.

WHEREAS, in order to qualify for a Job Creation Tax Credit a businesses must create at least five (5) new jobs in the City of Berea and maintain an annual payroll of at least \$100,000.00; and

WHEREAS, Coatings Research Group, Inc. (hereinafter referred to as "CRGI") is a company that specializes in the laboratory testing and research of paint; and

WHEREAS, CRGI has left a facility it rented in another community and has purchased a facility located at 125 Pelret Industrial Parkway, Berea, Ohio 44017, and

WHEREAS, CRGI will move all its current staff of seven (7) employees with an annual payroll in excess of \$500,000.00 to the Pelret Facility and all testing and research of paint will now take place at said facility; and

WHEREAS, CRGI and the City of Berea (hereinafter referred to as "CITY") desire to enter into a Job Creation Tax Credit Agreement.

Therefore, the parties agree as follows:

Starting with the first financial quarter of 2015 and ending in the fourth financial quarter of 2024, CRGI will receive a rebate in the amount equivalent to 60% (1.2% of the 2%) of the local payroll taxes paid to the CITY by the employees of CRGI.

All rebates will be issued to CRGI quarterly based upon the payroll amount paid to the CITY through the Regional Income Tax Agency (hereinafter referred to as "RITA") following receipt of said payroll taxes by the CITY from RITA.

Rebates will be issued to CRGI no later than 90 days following the conclusion of each financial quarter.

The continuance of this Job Creation Tax Credit Agreement is conditioned upon CRGI maintaining at least five (5) jobs and an annual payroll of \$100,000.00. If the number of jobs falls below five (5) or the annual payroll falls below \$100,000.00 for any given year, the CITY may revoke this Job Creation Tax Credit Agreement and is not obligated to issue a rebate as provided for hereinabove.

This Job Creation Tax Credit Agreement is not assignable by either party.

There shall be no requirement that rebate dollars be returned, should CRGI fail either to maintain at least five (5) jobs or an annual payroll of at least \$100,000.00.

This Job Creation Tax Credit Agreement has been approved by Berea City Council in Ordinance No 2014-~~87~~89

This Job Creation Tax Credit Agreement must be reviewed annually by the Berea Board of Income Tax Review to evaluate compliance with the terms of this Job Creation Tax Credit Agreement and to recommend either continuance or termination of this agreement.

The foregoing terms and conditions are hereby agreed upon by CRGI and the CITY.

CITY OF BEREA

COATINGS RESEARCH GROUP, INC.

by Cyril Kleem
Mayor

by Richard Scott
Executive Director

Date

Date