

## **OFFICE & INDUSTRIAL INCENTIVE AGREEMENT**

This agreement made and entered into by and between the City of Gahanna, Ohio, a municipal government, with its main offices located at 200 S. Hamilton Road, Gahanna, Ohio, hereinafter referred to as the City of Gahanna and JE Grote Company Inc. with its main offices located at 1160 Gahanna Parkway, Gahanna, Ohio 43230, hereinafter referred to as Grote Company, WITNESSETH;

WHEREAS, the City of Gahanna has encouraged the creation of new job opportunities in the community; and

WHEREAS, Grote Company is desirous of expanding their business operations at 1160 Gahanna Parkway, Gahanna, Ohio; and

WHEREAS, the Gahanna City Council, by Ordinance ORD-0212-2002, enabled the City of Gahanna to offer an "Office & Industrial Incentive"; and

WHEREAS, the City of Gahanna, having the appropriate authority for the stated type of project, is desirous of providing Grote Company with incentives for the development of the project; and

WHEREAS, the Director of Planning & Development has investigated the Application of Grote Company, which is attached as Exhibit A, and the Incentive Advisory Board has recommended the same to the Gahanna City Council on the basis that Grote Company is qualified by financial responsibility and business experience to create new employment opportunities and improve the economic climate of Gahanna; and

NOW, THEREFORE, in consideration of the mutual covenants hereinafter contained and the benefit to be derived by the parties from the execution hereof, the parties herein agree as follows:

1. Grote Company intends, within the first three (3) years, to create thirteen (13) new full-time jobs with an average annual salary of \$53,846, hereinafter referred to as New Jobs. The New Jobs will be considered as those Grote Company employees hired as a result of this expansion project subsequent to the execution of this agreement.
2. Grote Company intends to retain 100 existing jobs in Gahanna, with an annual payroll of \$6,526,928 hereinafter referred to as Retained Jobs. The City of Gahanna will not be providing financial incentives to the Retained Jobs.
3. The combination of New Jobs and Retained Jobs will result in approximately seven million two hundred twenty seven thousand dollars (\$7,227,000) of annual payroll for the City of Gahanna.
4. The City of Gahanna shall grant Grote Company a refundable credit worth 35% of the company's municipal income tax withholdings generated by the New Jobs, based upon the City's 1.5% municipal income tax rate, for a term of five (5) years.
5. Grote Company agrees to remain in Gahanna for a period equal to the term specified within the Ohio Job Creation Tax Credit incentive agreement. If Grote Company does not complete the entire term, any incentive funds must be paid to the City on a pro rata basis of the remaining term.

6. Grote Company must annually provide the City of Gahanna with information including, but not limited to, Tax Identification number(s) to verify wages paid and taxes withheld through the Regional Income Tax Agency (RITA) for the Retained Jobs and New Jobs created during the period outlined under this agreement. The Payroll Verification Form, as may be amended from time to time, is attached as Exhibit B.
7. Grote Company agrees to work with the City of Gahanna to explore the option of connecting to GahannaNet, the City's fiber optic network, to be provided by Wow! Business at the property located at 1160 Gahanna Parkway, Gahanna, Ohio.
8. If Grote Company materially fails to fulfill its obligation under this agreement, the City of Gahanna may terminate or modify the provisions granted under this agreement.
9. This agreement is not transferable or assignable without the express, written approval of the City of Gahanna.
10. This agreement may be revised and/or amended throughout its term through the mutual agreement of the parties hereto. Such revisions and/or amendments are, and will be, subject to applicable federal, state and local laws or ordinances, and any applicable regulations and/or rules of federal, state and local department or agencies possessing authority to implement and/or administer such applicable federal, state and local laws or ordinances.

#### Program Compliance

1. Grote Company shall pay all federal, state and local taxes and shall file all tax reports and returns as required by law. If Grote Company fails to pay such taxes or file such returns and reports, all incentives granted under this agreement are rescinded beginning with the year for which such taxes are charged or such reports or returns are required to be filed and thereafter.
2. If for any reason the Office & Industrial Incentive Program expires or is rescinded by the City of Gahanna, entitlements granted under this agreement shall continue for the number of years specified under this agreement, unless Grote Company materially fails to fulfill its obligations under this agreement and the City of Gahanna terminates or modifies the incentives granted under this agreement.
3. If Grote Company materially fails to fulfill its obligations under this agreement, or if the City of Gahanna determines that the certification as to the delinquent taxes required by this agreement is fraudulent, the City of Gahanna may terminate or modify the incentives granted under this agreement and may require the repayment of the amount of taxes that would have been payable without this agreement.
4. Grote Company hereby certifies that at the time this agreement is executed, Grote Company does not owe any delinquent real or tangible personal property taxes to any taxing authority of the State of Ohio, and does not owe delinquent taxes for which Grote Company is liable under Chapters 5733, 5735, 5739, 5741, 5743, 5747, 5753 of the Ohio Revised Code, or, if such delinquent taxes are owed, Grote Company is currently paying the delinquent taxes pursuant to an undertaking enforceable by the State of Ohio or an agent or instrumentality thereof, has filed a petition in bankruptcy under 11 U.S.C.A. 101, et seq., or such a petition has been filed against Grote Company. For the purposes of the certification, delinquent taxes are taxes that remain unpaid on the latest day prescribed for payment without penalty under the chapter of the Revised Code governing payment of those taxes.

5. Grote Company affirmatively covenants that it has made no false statements to the State of Ohio or City of Gahanna in the process of obtaining approval for an Office & Industrial Incentive. If any representative of Grote Company has knowingly made a false statement to the State of Ohio or City of Gahanna to obtain an Office & Industrial Incentive, Grote Company shall be required to immediately return all benefits received under the Office & Industrial Incentive pursuant to ORC Section 9.66 (C)(2) and shall be ineligible for any future economic development assistance from the City of Gahanna. Any person who provides a false statement to secure economic development assistance may be guilty of falsification, a misdemeanor of the first degree, pursuant to ORC Section 2921.13 (D)(1), which is punishable by a fine of not more than \$1,000 and/or a term of imprisonment of not more than six months.

IN WITNESS WHEREOF, the City of Gahanna, Ohio, by Rebecca W. Stinchcomb, its Mayor, and pursuant to \_\_\_\_\_, has caused this instrument to be executed this \_\_\_\_ day of \_\_\_\_\_, 2015 and JE Grote Company Inc, by \_\_\_\_\_, has caused this instrument to be executed on this \_\_\_\_ day of \_\_\_\_\_, 2015.

City of Gahanna, Ohio

JE Grote Company LLC

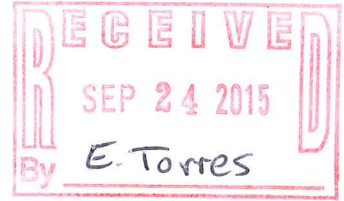
\_\_\_\_\_  
Rebecca W. Stinchcomb, Mayor

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Approved as to form:

\_\_\_\_\_  
Shane W. Ewald, City Attorney



## Office & Industrial Incentive Program Application

Company Information	
<b>Company Name:</b> <div style="font-family: cursive; font-size: 1.2em; margin-top: 10px;">J E Grote Company Inc</div>	<b>Company Contact Name and Title:</b> <div style="font-family: cursive; font-size: 1.2em; margin-top: 10px;">Eric Ytterbo</div>
<b>Company Address:</b> <div style="font-family: cursive; font-size: 1.2em; margin-top: 5px;">1160 Gahanna Parkway Columbus, Ohio 43230</div>	<b>Contact Phone Number and Email:</b> <div style="font-family: cursive; font-size: 1.2em; margin-top: 5px;">614-868-8414 eytterbo@grotecompany.com</div>
<b>Company Type:</b> <div style="font-family: cursive; font-size: 1.2em; margin-top: 10px; text-align: center;">Manufacturers Food Processing Equipment</div>	
Project Information	
<b>Project Site:</b> <div style="font-family: cursive; font-size: 1.2em; margin-top: 10px; text-align: center;">Gahanna</div>	<b>Square Footage:</b> <div style="font-family: cursive; font-size: 1.2em; margin-top: 10px; text-align: center;">75,000</div>
<b>Current Number of Employees at Site</b> <div style="font-family: cursive; font-size: 1.2em; margin-top: 10px; text-align: center;">100</div>	<b>If Leasing Space, Proposed Term:</b> <div style="font-family: cursive; font-size: 1.2em; margin-top: 10px; text-align: center;">NA</div>
<b>Proposed Number of New Employees at Site</b> <b>Full-Time:</b> 13  <b>Part-Time:</b> -0-	<b>Average Wage Rate of New Employees:</b> <div style="font-family: cursive; font-size: 1.2em; margin-top: 5px;">\$53,846 annual, \$26.92 per hour</div> <b>Average Benefits of New Employees:</b> <div style="font-family: cursive; font-size: 1.2em; margin-top: 5px;">\$13,246</div>
<b>Estimated Annual Payroll at Project Site:</b> \$7,226,928	
Project Description including total investment amount	
<div style="font-family: cursive; font-size: 1.5em; text-align: center;">Attached</div>	

**Please include the following items upon submitting an application:**

- History and description of the business
- Three years historical financial statements
- Three years projected financial statement
- Resumes of owners and/or key managers

Application Acknowledgement

As an authorized agent of the applicant company, I hereby submit this application for consideration. I understand that any information on this application found to be false or misleading could result in the termination of this program.

Eric Jacobs CFO 9/18/15  
Signature/Title Date

# 2014 Office & Industrial Incentive Annual Report



**Instructions:** Please complete and return this form to the Department of Planning & Development by **Friday, March 27, 2015**. Fill out all fields and provide supportive, documentation as applicable. Thank you in advance for your cooperation. Return the form via mail 200 S. Hamilton Road, Gahanna, OH 43230, fax (614) 342-4118 or email [emanuel.torres@gahanna.gov](mailto:emanuel.torres@gahanna.gov).

## Business Contact Information

<b>Name of Business</b>		<b>Industry</b>	
<b>Business Address</b>			
Contact Person		Title	
Address			
Email		Phone #	

## Performance Verification Information

<b>Business Federal Employer ID:</b>			
<b>Number of employees at incentive site:</b> (as of 12/31/2014)	<i>Full Time:</i> _____	<i>Part Time:</i> _____	
<b>Total Annual Payroll:</b> (as of 12/31/2014)	\$		
<b>Total City Income Tax:</b> (as of 12/31/2014)	\$		
<b>Incentive Amount Requested:</b> (as of 12/31/2014)	\$		

Is your facility: <b>Owned</b> or <b>Leased</b> ? - If leased, when does the lease expire? : _____ <input type="checkbox"/> <input type="checkbox"/> <span style="float: right;">MM / YYYY</span>	
Employment Trend <input type="checkbox"/> <b>Growing</b> Is your company? : <input type="checkbox"/> <b>Staying the same</b> <input type="checkbox"/> <b>Shrinking</b>	Does your facility meet your current and near term needs (12-24 months)? <input type="checkbox"/> <b>Yes</b> <input type="checkbox"/> <b>No</b>
If your company has locations elsewhere, is your company expanding or consolidating operations? _____	Does your current regulatory environment meet your needs? <input type="checkbox"/> <b>Yes</b> <input type="checkbox"/> <b>No</b> <b>Comments:</b> _____
Where outside the United States do you sell your product or service? _____	What percent of your sales are? : <b>In the US:</b> _____% <b>Outside of the US:</b> _____%
Would you like to speak with someone about expanding your sales to other foreign markets? <b>Yes</b> <input type="checkbox"/> <b>No</b> <input type="checkbox"/>	
Challenges on local or state level, short and long term needs, action items: _____ _____ _____	

Are you a member of the Gahanna Area Chamber of Commerce? Yes  No   
 Are you interested in learning more about lowered cost broadband services through Gahanna's fiber network? Yes  No

**Contact Signature:** \_\_\_\_\_ **Date:** \_\_\_\_\_