



# City of Gahanna

200 South Hamilton  
Road  
Gahanna, Ohio 43230

## Signature

Ordinance: ORD-0008-2024

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File Number: ORD-0008-2024

**AN ORDINANCE AUTHORIZING THE MAYOR TO ENTER INTO AN OFFICE & INDUSTRIAL INCENTIVE AGREEMENT WITH NUVIK USA, INC, DBA CROCODILE CLOTH FOR A PERIOD OF FIVE YEARS; WAIVING SECOND READING**

**WHEREAS**, the City of Gahanna encourages the retention and creation of new job opportunities within the community; and

**WHEREAS**, Nuvik USA, Inc., parent company of Crocodile Cloth, one of the fastest growing disposable cleaning cloth companies in the country, is considering relocation and expansion of its operations within Gahanna; and

**WHEREAS**, Crocodile Cloth has been operating at 930 Claycraft Road since 2019, with 25 employees and an annual payroll of \$2.4 million in 2023, generating \$36,000 in income taxes for the City; and

**WHEREAS**, Crocodile Cloth is considering opportunities for growth, which includes relocation to a larger facility located at 1800 Deffenbaugh Court in Gahanna, with projected growth in annual payroll to \$6.8 million for 70 employees; and

**WHEREAS**, to encourage retention and local expansion of Crocodile Cloth, the administration and Incentive Advisory Committee recommend utilization of an Office & Industrial program incentive consisting of a refundable credit of 50 percent of the company's net municipal income tax increase over its current \$2.4 million payroll for a term of five years and based upon the City's 1.5 percent non-Issue 12 municipal income tax rate (an estimated total incentive value of \$100,500); and

**WHEREAS**, due to the company's need to commit to a lease to begin relocation and delivery of new machinery for business expansion, whether in Gahanna or in another jurisdiction, the Administration requests that the legislation be passed with waiver of second reading.

**NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF GAHANNA, COUNTY OF FRANKLIN, STATE OF OHIO:**

**Section 1.** That the Mayor is hereby authorized to enter into an Office & Industrial Incentive Agreement with Nuvik USA, Inc., DBA Crocodile Cloth, whose main offices are currently located at 930 Claycraft Road, Gahanna, OH, in accordance with the terms as specified in EXHIBIT A attached hereto and made a part herein.

**Section 2.** That for the reasons set forth in the preamble, the second reading is hereby waived.

**Section 3.** That this Ordinance shall be in full force and effect upon passage by this Council and 30 days after date of signature of approval by the Mayor.

At a regular meeting of the City Council on February 19, 2024, a motion was made by Schnetzler,  
seconded by Renner, that this Ordinance be Adopted. The vote was as follows:

Ms. Bowers, yes; Ms. Jones, yes; Ms. McGregor, yes; Ms. Padova, yes;  
Mr. Renner, yes; Mr. Schnetzler, yes; Mr. Weaver, yes

President Merisa K. Bowers Date 2.19.24  
Merisa K. Bowers

Attest by Jeremy A. VanMeter Date 2/19/2024  
Jeremy A. VanMeter  
Clerk of Council

Approved by the Mayor Laurie A. Jadwin Date 2.19.2024  
Laurie A. Jadwin

Approved as to Form Matt Roth Date 2/19/24  
Matt Roth  
Assistant City Attorney

**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 Nuvik USA, Inc. with its main offices currently located at 930 Claycraft Rd., Gahanna, hereinafter referred to as DBA **CROCODILE CLOTH**, WITNESSETH;

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

WHEREAS, **CROCODILE CLOTH** is desirous of expanding its manufacturing facility in Gahanna, Ohio, moving from its current location at 930 Claycraft Rd., and relocating to a new industrial building at 1800 Deffenbaugh Ct.; and

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

WHEREAS, Gahanna having the appropriate authority for the stated type of project is desirous of providing **CROCODILE CLOTH** with incentives for the development of the project; and

WHEREAS, the Director of Economic Development has investigated the Application of **CROCODILE CLOTH** and the Incentive Advisory Board has recommended the same to the Gahanna City Council on the basis that **CROCODILE CLOTH** 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. **CROCODILE CLOTH** will create 45 (#) new jobs with an average annual salary of \$97,000, which will result in approximately 6,800,000 (\$) of annual payroll by the end of 2028.
2. The City shall grant **CROCODILE CLOTH** a refundable credit of 50% of the company's net municipal income tax increase over its current 2,400,000 (\$) payroll for term of 5 years and based upon the City's 1.5% non-issue 12 municipal income tax rate.
3. **CROCODILE CLOTH** agrees to remain in Gahanna for an additional five (5) years following the term of the Office & Industrial Incentive and failure to do so may result in **CROCODILE CLOTH** repaying any funds received.
4. **CROCODILE CLOTH** must provide the City with verification of wages paid and taxes withheld annually for jobs during the period outlined under this agreement.
5. If **CROCODILE CLOTH** materially fails to fulfill its obligation under this agreement, Gahanna may terminate or modify the provisions granted under this agreement.
6. This agreement is not transferable or assignable without the express, written approval of Gahanna.

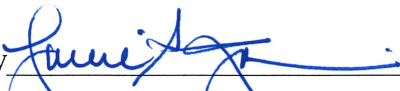
7. This agreement may be revised and/or amended throughout its term through the mutual agreement of the parties hereto. Such revisions and/or amendments are and will be subject to applicable Federal, State of Ohio and local laws or ordinances, and any applicable regulations and/or rules of Federal, State of Ohio and local department or agencies possessing authority to implement and/or administer such applicable Federal, State of Ohio and local laws or ordinances.

### **Program Compliance**


1. **CROCODILE CLOTH** shall pay all federal, state and local taxes and shall file all tax reports and returns as required by law. If **CROCODILE CLOTH** 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 **CROCODILE CLOTH** materially fails to fulfill its obligations under this agreement and Gahanna terminates or modifies the incentives granted under this agreement.
3. If **CROCODILE CLOTH** materially fails to fulfill its obligations under this agreement, or if Gahanna determines that the certification as to the delinquent taxes required by this agreement is fraudulent, 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. **CROCODILE CLOTH** hereby certifies that at the time this agreement is executed, **CROCODILE CLOTH** 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 **CROCODILE CLOTH** is liable under Chapters 5733, 5735, 5739, 5741, 5743, 5747, 5753 of the Ohio Revised Code, or, if such delinquent taxes are owed, **CROCODILE CLOTH** 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 **CROCODILE CLOTH**. 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. **CROCODILE CLOTH** affirmatively covenants that it has made no false statements to the State or City of Gahanna in the process of obtaining approval for an Office & Industrial Incentive. If any representative of **CROCODILE CLOTH** has knowingly made a false statement to the State or City of Gahanna to obtain an Office & Industrial Incentive, **CROCODILE CLOTH** shall be required immediately to 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 Laurie A. Jadwin, its Mayor, and pursuant to Ordinance 0008-2024, has caused this instrument to be executed this 5<sup>th</sup> day of April, 2024

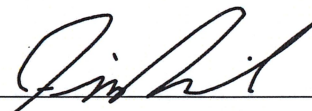
By   
Laurie A. Jadwin, Mayor

Approved as to form:



Priya Tamilarasan, City Attorney

IN WITNESS WHEREOF, Crocodile Cloth, by Jim Reid, its President, and pursuant to an Ordinance 0008-2024, has caused this instrument to be executed this 21st day of February, 2024.

By  (signature)  
Jim Reid / President (Name & Title)