

BRUNSWICK CITY ECONOMIC DEVELOPMENT COMMITTEE

Agenda

JUNE 11, 2018

6:35 PM or immediately following Safety & Environment Committee

1. Discussion Items
 - (a) **RES. NO. 43-18** - A resolution authorizing the City Manager to enter into a grant agreement with Firststar Precision Corporation - **1st Reading** (To be brought from Economic Development Committee, *Administration/Grant Aungst*)
2. General Discussion
3. Adjournment

THE CITY OF BRUNSWICK

PROPOSED LEGISLATION



DATE: 06/11/2018

TO: Vice Mayor Michael Abella Jr. and Members of City Council

FROM: Carl S. DeForest, City Manager
Grant Aungst

COPY: Mayor Ron Falconi

LEGISLATION: **RES. NO. 43-18** - A resolution authorizing the City Manager to enter into a grant agreement with Firststar Precision Corporation - **1st Reading** (To be brought from Economic Development Committee, *Administration/Grant Aungst*)

BACKGROUND: City Administration has been in discussions with the new purchaser of an existing building in the City's industrial park regarding relocating the business to the City and potential upgrades to the existing structure and site, including additional staffing. Discussions involve economic development incentives that may be available.

PURPOSE AND EXPLANATION: The City has in place an economic development program to promote the creation of jobs and stimulate economic growth. As part of the agreement, the City shall provide Firststar Precision Corporation with an annual grant in an amount equal to 50% of Municipal Income Tax Receipts, as defined in the agreement, upon annual employee payroll performed in the City per Ohio Revised Code Section 718.02(A)(2) between \$1,500,000 and \$3,500,000. No grant shall be paid from Municipal Income Tax Receipts on employee payroll less than \$1,500,000 or greater than \$3,500,000. In order to receive and retain the grant for a maximum of four (4) years, Firststar Precision Corporation shall retain a business operation in the City, currently located or to be located at 2867 Nationwide Parkway, Brunswick, Ohio, 44212 for a minimum period of eight (8) years.

IMPLEMENTATION SCHEDULE: Estimated January, 2019.

FINANCIAL INFORMATION:

FINANCIAL SUMMARY: Fiscal approval for this agreement and each applicable year will be done through an annual purchase order, subject to Council's appropriation and the applicable tax rate in existence at the time. The estimated \$20,000 amount for the completed year of 2019 is the calculated not to exceed maximum amount for the first year of the agreement provided all applicable conditions in the agreement are met, tax rates remain the same and sufficient appropriations have been passed by Council.

RECOMMENDED

ACTION:

One Reading	No
Two Readings	No
Three Readings	Yes
Emergency	No
Suspension of Rules	No

If emergency or suspension of the rules, why the request?

**ADDITIONAL
INFORMATION:**

GRANT AGREEMENT

THIS GRANT AGREEMENT (the “Agreement”) is entered into by and between the City of Brunswick, Ohio, a municipal corporation duly organized and validly existing under the Constitution and laws of the State of Ohio (the “City”), and Firststar Precision Corporation, an Ohio corporation (hereinafter “Firststar”).

RECITALS:

WHEREAS, in accordance with applicable Ohio law as detailed in Ohio Revised Code Sections 718.15 and/or 718.151, as may be amended from time to time, the City has developed a program to promote the creation of jobs and stimulate economic development in the City; and

WHEREAS, the City hereby enters into this Agreement to promote the creation of jobs and stimulate economic development in the City.

NOW, THEREFORE, in consideration of the mutual covenants herein contained, and intending to be legally bound, the Parties hereto agree as follows:

A. Firststar – Representations, Covenants and Warranties.

- 1) In order to receive and retain the Grant as described in Section B below, Firststar shall retain a business operation in the City, currently located or to be located at 2867 Nationwide Parkway, Brunswick, Ohio 44212 (the “Premises”), for a minimum period of eight (8) years commencing on the first (1st) day of the fiscal year following full execution of this Agreement (the “Commencement Date”) and maintain a minimum annual employee payroll performed in the City per Ohio Revised Code Section 718.02(A)(2) of \$1,500,000.00 during such eight (8) year period (the “Minimum Annual Employee Payroll”). If Firststar relocates its business operations outside of the corporate limits of the City prior to the

expiration of such eight (8) year period or fails to maintain a Minimum Annual Employee Payroll performed in the City per Ohio Revised Code Section 718.02(A)(2) of \$1,500,000.00 during such eight (8) year period, any and all Grant amounts provided pursuant to this Agreement shall be deemed refundable and Firststar shall repay the City the full amount of all Grants received hereunder promptly upon written notice from the City and this Agreement shall automatically terminate.

- 2) If at any time during the term of this Agreement, Firststar or any employees of Firststar were to file and receive a tax refund on any payroll previously taxed by the City pursuant to this Agreement, Firststar shall be required to repay, promptly upon written notice from the City, the Grant amount equal to the tax refund issued.

B. Grants.

- 1) The City shall provide Firststar with an annual grant (the “Grant”) in an amount equal to 50% of Municipal Income Tax Receipts, as defined hereinbelow, upon annual employee payroll performed in the City per Ohio Revised Code Section 718.02(A)(2) between \$1,500,000.00 and \$3,500,000.00. No Grant shall be paid from Municipal Income Tax Receipts on employee payroll less than \$1,500,000.00 or greater than \$3,500,000.00. Such Grant shall be payable solely from City Non-Tax Revenues, as defined hereinbelow.

“Municipal Income Tax Receipts”, as used herein, means the municipal income taxes actually received by the City during the twelve (12) month period commencing on the Commencement Date, and each twelve (12) months thereafter for the term of this Agreement, derived from the employees of Firststar performing

services in the City.

“Non-Tax Revenues”, as used herein, means all moneys of the City which are not moneys raised by taxation, to the extent available for the purpose of making any payments required hereunder, including, but not limited to, the following: (a) grants from the United States of America and the State of Ohio; (b) payments in lieu of taxes now or hereafter authorized by State statute to the extent not pledged to pay debt charges on other City indebtedness; (c) fines and forfeitures which are deposited in the City’s General Fund; (d) fees deposited in the City’s General Fund for services provided and from properly imposed licenses and permits; (e) investment earnings on the City’s General Fund; (f) investment earnings on other funds of the City that are credited to the City’s General Fund; (g) proceeds from the sale of assets which are deposited in the City’s General Fund; (h) gifts and donations; and (i) all rental payments which are deposited in the City’s General Fund.

Nothing herein shall be construed as requiring the City to use or apply to the payment of its obligation hereunder any funds or revenues from any source other than Non-Tax Revenues; provided, however, that nothing herein shall be deemed to prohibit the City, at its sole discretion, from using, to the extent that it is authorized by law to do so, any other resources for the fulfillment of any of the terms, conditions or obligations of this Agreement. The obligation to make any Grant hereunder shall terminate immediately if Firststar ceases business operations within the corporate limits of the City or otherwise fails to fulfill its obligations under this Agreement.

- 2) The annual Grant set forth above shall continue for a period of four (4) consecutive twelve (12) month periods from the Commencement Date unless earlier terminated as set forth in this Agreement.
- 3) The Grant required hereunder shall be made to Firststar upon the occurrence of the following: (a) the City's actual receipt of Municipal Income Tax Receipts; (b) the City's actual receipt of all necessary municipal tax returns from Firststar; and (c) the City's receipt, review and approval of any requested supporting documentation as required herein.

Any Grant payment required hereunder shall be made by check payable to Firststar, to be forwarded by regular U.S. mail within ninety (90) days of payment and filing all necessary municipal tax returns and forms with the City for the subject twelve (12) month period, to the notice address provided in Section C below, as may be updated by written notice to the City from time to time.

C. Additional Covenants and General Conditions.

- 1) This Agreement is specifically conditioned upon enactment by the Brunswick City Council of a Resolution approving this Agreement.
- 2) Firststar may not assign its rights under this Agreement without the express written consent of the City.
- 3) Firststar agrees to provide the City with information reasonably requested by the City to evaluate Firststar's compliance with this Agreement and to calculate the amount due hereunder.
- 4) A notice, demand, or other communication that may be provided or is otherwise

required under this Agreement shall be sufficiently given or delivered if it is mailed by registered or certified mail, postage prepaid, return receipt requested, or delivered personally as follows:

To the City:

City of Brunswick
Attn: City Manager
Brunswick City Hall
4095 Center Road
Brunswick, OH 44212

To Firstar:

Firstar Precision Corporation
Attn: David Tenny, President

- 5) This Agreement shall be governed exclusively by and construed in accordance with the laws of the State of Ohio.
- 6) This Agreement may be executed in several counterparts, each of which shall be deemed to be an original but altogether shall constitute only one and the same instrument. Signatures or counterparts delivered by email, facsimile or other electronic means shall be deemed binding originals.

[SIGNATURE PAGE TO FOLLOW]

WHEREFORE, the Parties hereto have caused this Grant Agreement to be executed as of the dates indicated below.

CITY OF BRUNSWICK, OHIO

FIRSTAR PRECISION CORPORATION

Carl S. DeForest, City Manager

David Tenny, President

Date:_____

Date:_____

Approved as to form:

Kenneth J. Fisher, Law Director

Date:_____

This Grant Agreement has been approved by Brunswick City Council per Resolution No. _____ adopted on _____, _____, 2018.

Fijabi Julien-Gallam, Clerk of Council

CITY OF BRUNSWICK, OHIO
RESOLUTION NO. _____

BY:

A RESOLUTION AUTHORIZING THE CITY MANAGER TO ENTER INTO A
GRANT AGREEMENT WITH FIRSTAR PRECISION CORPORATION.

WHEREAS: In accordance with applicable Ohio law, the City has developed a program to promote the creation of jobs and stimulate economic development in the City;

WHEREAS: The City is desirous of entering into a Grant Agreement with Firstar Precision Corporation to promote the creation of jobs and stimulate economic development in the City.

WHEREAS: THE COUNCIL OF THE CITY OF BRUNSWICK HEREBY RESOLVES:

SECTION 1: That the City Manager, upon approval of the Law Director, is authorized and directed to enter into the Grant Agreement with Firstar Precision Corporation, as attached hereto as Exhibit "A".

SECTION 2: That this Resolution shall take effect and be in force from and after the earliest period allowed by law.

PASSED: 1st Reading _____

2nd Reading _____

3rd Reading _____

ADOPTED: _____ AYES _____ NAYS _____

ATTEST: _____
Clerk of Council
Fijabi Julien-Gallam

CITY OF BRUNSWICK, OHIO
RESOLUTION NO. 43-18

BY: Mr. Hanek, Mr. Ousley and Mrs. Hanek

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2nd Reading_____

3rd Reading_____

ADOPTED: _____ AYES _____ NAYS _____

ATTEST: _____
Clerk of Council
Fijabi Julien-Gallam, CMC