

Addendum to AGENDA

March 3, 2020

Wadsworth City Council

Legislation following was discussed this evening in Committee of the Whole meeting prior to Council:

RESOLUTION NO. 20-13 (1st RDG.): A RESOLUTION APPROVING THE REPORT OF THE TAX INCENTIVE REVIEW COUNCIL PURSUANT TO OHIO REVISED CODE SECTION 5709.85(A)(2) IN REGARD TO “POST 1994 COMMUNITY REINVESTMENT AGREEMENTS”

- Sponsored by Council Member Thomas Stugmyer
- Discussed by the Economic Development & Planning Committee March 2, 2020
- Discussed by Committee of the Whole March 3, 2020

RESOLUTION NO. ~~20-xx~~¹³ by *Stigmer*
Prepared for March 3, 2020 Meeting of the Committee of the Whole

A RESOLUTION APPROVING THE REPORT OF THE TAX INCENTIVE REVIEW COUNCIL PURSUANT TO OHIO REVISED CODE SECTION 5709.85(A)(2) IN REGARD TO "POST 1994 COMMUNITY REINVESTMENT AGREEMENTS"

WHEREAS, the Tax Incentive Review Council created pursuant to Ohio Revised Code Section 5709.85(A)(2) held a meeting on February 14, 2020 and reviewed "Post 1994 Community Reinvestment Agreements" and unanimously recommended that the Wadsworth City Council accept their review of said agreements, and

WHEREAS, this Council has concluded that the report of said Tax Incentive Review Council should be approved, NOW THEREFORE

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF WADSWORTH, STATE OF OHIO:

Section 1. That the report of the Tax Incentive Review Council created by Ohio Revised Code Section 5709.85(A)(2) dated February 14, 2020 and attached as Exhibit A is hereby approved.

Section 2. That this resolution will take effect at the earliest time provided by law.

Passed: _____

President of Council

Attest: _____
Clerk of Council

Approved: _____

Mayor

1st Rdg. _____

2nd Rdg. _____

3rd Rdg. _____

Passed: yes _____ no _____

CERTIFICATE OF PUBLICATION

I, Tammy L. Guenther, Clerk of Council of the City of Wadsworth, State of Ohio, do hereby certify that the forgoing resolution was duly published in the *Medina Gazette* and at <http://publicnoticesohio.com> on _____ and _____ which is for two consecutive weeks as required by section 731.21 of the Ohio Revised Code.

Tammy L. Guenther
Clerk of Council
City of Wadsworth



**Tax Incentive Review Council
City of Wadsworth
"Post 1994" CRA Minutes
Friday, February 14, 2020**

Council Members: Doug Beeman, Karl Elsass, Craig Hassinger, Kristen Johnson, Brian Laubaugh, Rod Loveless, Ben Walker.

Also in Attendance: Housing Officer Jim Gray, Kathy Breitenbucher

The Tax Incentive Review Council met on February 14, 2020 to review the "post 1994" CRA Status Reports for the 2019 calendar year. Project recommendations were made for the following:

Meeting commenced at 8:39am

Akro-Mils

No company representation required

Akro-Mils has sold the building receiving the tax abatement as of March, 2019. Mr. Laubaugh made the motion to terminate the CRA agreement with Mr. Beeman seconding. All were in favor and the motion passed.

Clampco Products

Jerry Biagini and Jason Venner

Execution Date: 5/2015 Expiration Date: 12/31/2028

This agreement calls for an investment of \$2,832,375 in real property for which an abatement of 50% for 10 years was granted. 10 new jobs with a payroll of \$300,000 were to be created in a 36 month period.

Real property investment as of December 31, 2019 was \$2,832,375. 47 new jobs have been created with a payroll of \$3,858,868. In addition 168 employees have been retained.

Mr. Biagini and Mr. Venner reported for Clampco. They continue to experience record growth with 2019 seeing 6%-7% increase from 2018. They have several large contracts that should be coming in this year and are expecting an even better year in 2020.

The truck industry is down about 20% overall but they have picked up some new customers in that area. Aerospace is a big target right now as they have contracts with Space X and Boeing so they are pursuing international efforts.

In workforce, they were one of three companies in Medina County to receive TechCred awards. They are currently using it to train an employee through Akron U on Lean manufacturing.

Exhibit A

Mr. Elsass made the motion to find Clampco in compliance on their CRA and continue the abatement, with Ms. Johnson seconded the motion. All were in favor and the motion passed.

Meeting was adjourned at 8:46am.

Meeting commenced at 9:04am.

Soprema

Mark Dolan

Execution Date: 06/2017 Expiration Date: 12/31/2030

This agreement calls for an investment of \$3,276,480 in real property for which an abatement of 50% for 12 years was granted. 12 new jobs with a payroll of \$621,000 were to be created in a 60 month period.

Real property investment as of December 31, 2019 was \$3,276,480. 8 jobs have been created with a payroll of \$327,000.

Mr. Dolan reported for Soprema. Corporate Headquarters for Soprema is in Strasburg Germany and the North American Headquarters is the Wadsworth location. The CEO, Tim Kersey, and all of his management team have joined Soprema in the last eight years and have set very aggressive goals. They have doubled the business in that time and expect to do so again before the end of 2020. They then plan to double again in 2025.

The main plant is 24/7 while the new plant, built with this incentive, is two shifts with a goal of three. The product had been produced in Canada but was running out of room. Soprema had the option of expanding the Canadian facility or bringing it to Wadsworth. While there were cases made that it made more sense in Canada, Soprema's commitment to Wadsworth and the incentive program brought it to Wadsworth.

The new plant makes a resin product that allows roofers to coat the roof with a liquid resin which then hardens to a rubber-like substance. This allows for tighter seals around items on the roof like HVAC systems and ventilation shafts which are notorious for being spots that leak.

Mr. Elsass made the motion to find their CRA in compliance as this is the first year of 5 for the job creation program and they are well on their way. Mr. Hassinger seconded and all were in favor. Motion passed.

Meeting adjourned at 9:12am.

Meeting commenced at 9:44am

Celebrate Vitamins

Sue Edurese

Execution Date: 11/2014 Expiration Date: 12/31/2021

Exhibit A

This agreement calls for an investment of \$1,060,000 in real property for which an abatement of 40% for 6 years was granted. 3 new jobs with a payroll of \$150,000 were to be created in a 36 month period.

Real property investment as of December 31, 2019 was \$1,100,000. 12 jobs have been created with a payroll of \$1,010,700.

Ms. Edurese reported for Celebrate Vitamins. They continue to see extensive growth since opening the facility and their Amazon sales are going very well. They had 8 million in sales in 2019 and expect to hit 10 million in 2020. They feel their growth is due to aggressive marketing to people having weight loss surgery. Typically surgeons do not share well what life changes will occur after bariatric surgery and patients aren't really focused on that part of it. Celebrate Vitamins works hard to let them know exactly what they need to do to maintain their new weight loss and live a healthy life.

They have now also developed a medically supervised, non-surgical weight loss product. They will be marketing this more heavily in the coming year.

Mr. Beeman made the motion to find the Celebrate Vitamins CRA in compliance and continue the abatement. Mr. Hassinger seconded the motion and all were in favor. Motion passed.

Meeting adjourned at 9:54am.

Meeting commenced at 10:09am.

Remington Products

Carrie Vidlak

Execution Date: 6/2015 Expiration Date: 12/31/2026

This agreement calls for an investment of \$3,350,000 in real property for which an abatement of 50% for 10 years was granted. 10 new jobs with a payroll of \$450,000 were to be created in a 36 month period.

Real property investment as of December 31, 2019 was \$5,285,000 and 10 jobs have been created with a payroll of \$539,000.

Ms. Vidlak reported for Remington Products. Ms. Vidlak came to Remington through the new owners, Grid Iron Capital. She has worked for them for a number of years and is excited about the direction they have brought to the table. They have re-acquired Foot Pedals which they had sold but continued to manufacture. They are still seeing growth in the Light Orthotics business but only at 3%-4% which they feel should be more. They will be focused on that in 2020.

Exhibit A

She also expects some additional positions in the warehouse area due to an increase in production that is happening. She reaffirmed Grid Iron Capital is committed to Wadsworth and wants to grow the business.

Mr. Laubaugh made the motion to find the Remington Products CRA in compliance and continue the abatement. Mr. Beeman seconded the motion and all were in favor. Motion passed.

Meeting adjourned at 10:22am.

Meeting commenced at 10:31am.

Cornwell Tools

Bob Studenic

Execution Date: 06/2016 Expiration Date: 12/2027

This agreement calls for an investment of \$8,100,589 in real property for which an abatement of 50% for 9 years was granted. 4 new jobs with a payroll of \$96,000 were to be created in a 24 month period.

Real property investment as of December 31, 2019 was \$8,100,589. 22 jobs have been created with a payroll of \$836,540.

Mr. Studenic reported they are strong supporters of Wadsworth and the business community here. Workforce is strong, utility rates are great, and they appreciate the support they receive.

They purchased a tool box manufacturer called Kennedy Manufacturing in 2016 in Van Wert Ohio and are committed to Northeast Ohio as well.

They consider themselves fourth in the mobile tool industry catering to technicians servicing vehicles. The other three companies are large corporations and are not as nimble as Cornwell can be.

The company is 20% employee owned and is expecting good growth in 2020.

Ms. Johnson made the motion to find the Cornwell Tools CRA in compliance and continue the abatement. Mr. Walker seconded the motion. Mr. Beeman abstained from the vote. All others were in favor; motion carried.

Meeting adjourned at 10:36am.

Meeting commenced at 11:04am. Mr. Walker left the meeting.

ECS Tuning

Carla Oeder

Execution Date: 11/2014 Expiration Date: 12/31/2026

Exhibit A

This agreement calls for an investment of \$6,605,000 in real property for which an abatement of 70% for 10 years was granted. 87 new jobs with a payroll of \$2,871,000 were to be created in a 36 month period.

Real property investment as of December 31, 2019 was \$8,043,997. 110 jobs have been created with a payroll of \$11,983,366.

Ms. Oeder reported for ECS Tuning. The new CEO has brought in a new financing partner who is bringing some much-needed support for double-digit growth. They are growing organically and through acquisition as well as they move to become the vendor of choice regardless of car brand. ECS continues to focus on European cars, but their new brands, Pelican Parts and Texas Speed are more focused on domestic vehicles.

While they do not do any manufacturing, they do some assembly of kits on site that include everything the home enthusiast would need to work on a car.

They have built a new culture and are really focused on employees. As an example, in the main hallway there is a wall with the four tenants of their strategic plan. When an employee is "caught" doing something to support a portion of the plan, anyone can write their name on the wall and they will be entered into a drawing for a gift card. This is a big change from the past and it is definitely paying off.

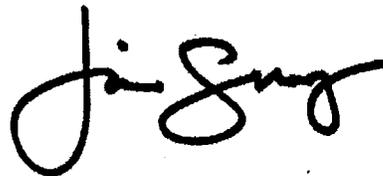
Mr. Beeman made the motion to find the ECS Tuning CRA in compliance and continue the abatement. Ms. Johnson seconded the motion. All were in favor and the motion passed.

The meeting adjourned at 11:19 am.

Minutes submitted by:



Kathy Breitenbucher
Medina County Economic Development Corporation
Economic Developer
City of Wadsworth, 2020 CRA Reviews



Jim Gray
City of Wadsworth
Director of Economic Development
Housing Officer