

COMMUNITY REINVESTMENT AREA AGREEMENT

This agreement made and entered into by and between **the City of North Royalton**, Ohio, a municipal corporation, with its main office located at 14600 State Road, North Royalton, Ohio (hereinafter referred to as "City") and **TMRD, Ltd.**, and Lessee Kent Corporation with its main offices located at 9601 York Alpha Dr., North Royalton, Ohio, (hereinafter referred to as "property owner").

WITNESSETH;

WHEREAS, City of North Royalton has encouraged the development of real property and the acquisition of personal property located in the area designated as a Community Reinvestment Area; and

WHEREAS, **TMRD, Ltd., and Lessee Kent Corporation** is desirous of constructing a **new office facility to facilitate the expansion of services and products, see exhibit A, attached and incorporated herein**, (hereinafter referred to as the "PROJECT") within the boundaries of the aforementioned Community Reinvestment Area, provided that the appropriate development incentives are available to support the economic viability of said PROJECT; and

WHEREAS, the Council of North Royalton, Ohio by Ordinance No. 15-34 adopted on March 3, 2015, designated the area as an "Community Reinvestment Area" pursuant to Chapter 3735 of the Ohio Revised Code; and

WHEREAS, effective June 9, 2015, the Director of Development of the State of Ohio determined that the aforementioned area designated in said Ordinance 15-34 contained the characteristics set forth in Section 3735.66 of the Ohio Revised Code and confirmed said area as a Community Reinvestment Area under said Chapter 3735; and

WHEREAS, the City of North Royalton having the appropriate authority for the stated type of project, is desirous of providing TMRD, Ltd., and Lessee Kent Corporation with incentives available for the development of the PROJECT in said Community Reinvestment Area under Chapter 3735 of the Ohio Revised Code; and

WHEREAS, TMRD, Ltd., and Lessee Kent Corporation submitted a proposed agreement application (herein attached as Exhibit B) to the City of North Royalton said application (hereinafter referred to as "APPLICATION"); and

WHEREAS, **TMRD, Ltd., and Lessee Kent Corporation** has remitted the required state application fee of \$750.00 made payable to the Ohio Department of Development with the application to be forwarded to said department with a copy of the final agreement; and

WHEREAS, the City of North Royalton has investigated the application of TMRD, Ltd., and Lessee Kent Corporation and has recommended the same to the Council of City of North Royalton on the basis that that it is qualified by financial responsibility and business experience to create and preserve employment opportunities in said Community Reinvestment Area and improve the economic climate of North Royalton; and

WHEREAS, the project site as proposed by **TMRD, Ltd., and Lessee Kent Corporation** is located in the North Royalton School District and the Cuyahoga Joint Vocational School District have been

notified in accordance with Section 5709.83 and been given a copy of the APPLICATION; and

WHEREAS, pursuant to Section 3735.67(A) and in conformance with the format required under Section 3735.671(B) of the Ohio Revised Code, the parties hereto desire to set forth their agreement with respect to matters hereinafter contained;

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. **TMRD, Ltd., and Lessee Kent Corporation** shall add/construct 15,000 square feet to the building. The addition will add 5,000 square feet of warehouse storage space and 10,000 square feet of additional space for rebuilding of machines and general assembly of new machines. This will enable Kent Corporation to offer more product timely and efficiently to our clients. Upon completion, new hires for the space include 2 production, 1 salesperson, and 1 maintenance service technician.

The PROJECT will involve a total investment of One Million Two Hundred Twenty Thousand Dollars (\$1,220,000.00) as follows:

Additions/New Construction:	\$900,000
Improvements to existing buildings:	\$35,000
Machinery & Equipment:	\$15,000
Furniture & Fixtures:	\$20,000
Inventory:	\$250,000

The PROJECT will begin February 15, 2022 and all acquisition, construction and will be completed by January 1, 2023.

2. **TMRD, Ltd., and Lessee Kent Corporation** shall create within a time period not exceeding 24 months after the conclusion of construction of the aforesaid facility, four (4) new full-time permanent job opportunities by Kent Corporation.

The building addition is to expand the workspace and storage of the facility for the production area of the manufacturer, Kent Corporation. This addition will allow space for Kent Corporation to hire 4 new full time permanent employees at the facility. The additional 4 employee's payroll costs will be approximately \$300,000/year. Kent Corporation currently stores a portion of their inventory in an offsite facility in Shelby, Ohio. The new building addition will allow this inventory to be stored onsite for accessibility without need for additional freight costs between the two facilities. The freight cost between facilities is approximately \$2,800/month (33,600/year) on average and the storage rent fees for the offsite facility is \$4,550/month (54,600/year) on average.

3. **TMRD, Ltd., and Lessee Kent Corporation shall** provide to the proper Tax Incentive Review Council any information reasonably required by the council to evaluate the property owner's compliance with the agreement, including returns filed pursuant to section 5711.02 of the Ohio Revised Code if requested by the council.

4. The City of North Royalton hereby grants **TMRD, Ltd. and Lessee Kent Corporation** a tax exemption for real property improvements made to the PROJECT site pursuant to Section 3735.67 of the Ohio Revised Code in the following amounts:

Exemption Term-15 years

Percentage of Exemption-49%

Each identified project improvement will receive a 15-year exemption period. The exemption commences the first year for which the Real Property exemption would first be taxable were that property not exempted from taxation. No exemption shall commence before January 1, 2023 nor extend beyond December 31, 2038.

5. **TMRD, Ltd., and Lessee Kent Corporation** shall pay an annual fee equal to the greater of one percent of the dollar value of incentives offered under the agreement or five hundred dollars: provided, however, that if the value of the incentives exceeds two hundred fifty thousand dollars, the fee shall not exceed two thousand five hundred dollars.

The fee shall be made payable to the City of North Royalton once per year for each year the agreement is effective by certified check. The fee is to be paid to finance director and made out to the City of North Royalton. This fee shall be deposited in a special fund created for such purpose and shall be used exclusively for the purpose of complying with section 3735.671(D) of the revised code and by the tax incentive review council created under section 3735.671(D) of the revised code exclusively for the purposes of performing the duties prescribed under that section.

6. **TMRD, Ltd., and Lessee Kent Corporation** shall pay such real and tangible personal property taxes as are not exempted under this agreement and are charged against such property and shall file all tax reports and returns as required by law. If **TMRD, Ltd., and Lessee Kent Corporation** 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.
7. City of North Royalton shall perform such acts as are reasonably necessary or appropriate to effect, claim, reserve, and maintain exemptions from taxation granted under this agreement including, without limitation, joining in the execution of all documentation and providing any necessary certificates required in connection with such exemptions.
8. If for any reason the Community Reinvestment Area designation expires, the Director of the Ohio Department of Development revokes certification of the zone, or the City of North Royalton revokes the designation of the zone, entitlements granted under this agreement shall continue for the number of years specified under this agreement, unless **TMRD, Ltd., and Lessee Kent Corporation** fails to fulfill its obligations under this agreement the City of North Royalton terminates or modifies the exemptions from taxation granted under this agreement.
9. If North Royalton materially fails to fulfill its obligations under this agreement, or if the City of North Royalton determines that the certification as to delinquent taxes required by this agreement is fraudulent, the City of North Royalton may terminate or modify the exemptions from taxation granted under this agreement.
10. **TMRD, Ltd., and Lessee Kent Corporation** hereby certifies that at the time this agreement is executed, **TMRD, Ltd., and Lessee Kent Corporation**, 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 **TMRD, Ltd., and Lessee Kent Corporation** are liable under Chapter 5733., 5735., 5739., 5741., 5743., 5747., or 5753. of the Revised Code, or, if

such delinquent taxes are owed, **TMRD, Ltd., and Lessee Kent Corporation** currently are 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 **TMRD, Ltd., and Lessee Kent Corporation** 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.

11. **TMRD, Ltd., and Lessee Kent Corporation** covenants that it does not owe: (1) any delinquent taxes to the State of Ohio or a political subdivision of the State; (2) any moneys to the State or a state agency for the administration or enforcement of any environmental laws of the State; and (3) any other moneys to the State, a state agency or a political subdivision of the State that are past due, whether the amounts owed are being contested in a court of law or not.
12. **TMRD, Ltd., and Lessee Kent Corporation** and City of North Royalton acknowledge that this agreement must be approved by formal action of the legislative authority of the City of North Royalton as a condition for the agreement to take effect. This agreement takes effect upon such approval.
13. The City of North Royalton has developed a policy to ensure recipients of Community Reinvestment Area tax benefits practice non-discriminating hiring in its operations. By executing this agreement, **TMRD, Ltd., and Lessee Kent Corporation** is committing to following non-discriminating hiring practices acknowledging that no individual may be denied employment solely on the basis of race, religion, sex, disability, color, national origin, or ancestry.
14. Exemptions from taxation granted under this agreement shall be revoked if it is determined that **TMRD, Ltd., and Lessee Kent Corporation** any successor property owner, or any related member (as those terms are defined in Section 3735.671 of the Ohio Revised Code) has violated the prohibition against entering into this agreement under Division (E) of Section 3735.671 or Section 5709.62 or 5709.63 of the Ohio Revised Code prior to the time prescribed by that division or either of those sections.
15. **TMRD, Ltd., and Lessee Kent Corporation** affirmatively covenants that it has made no false statements to the State or local political subdivisions in the process of obtaining approval of the Community Reinvestment Area incentives. If any representative of **TMRD, Ltd., and Lessee Kent Corporation** has knowingly made a false statement to the State or local political subdivision to obtain the Community Reinvestment Area incentives, **TMRD, Ltd., and Lessee Kent Corporation** shall be required to immediately return all benefits received under the Community Reinvestment Area Agreement pursuant ORC Section 9.66(C)(2) and shall be ineligible for any future economic development assistance from the State, any state agency or a political subdivision pursuant to ORC Section 9.66(C)(1). 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.
16. This agreement is not transferable or assignable without the express, written approval of The City of North Royalton.

{The remainder of this page is left intentionally blank.}

IN WITNESS WHEREOF, the City of North Royalton Ohio, by Mayor Larry Antoskiewicz, its Mayor, and pursuant to Ordinance No.21 has caused this instrument to be executed this _____ day of _____, 2022 and **TMRD, Ltd., and Lessee Kent Corporation** by _____, its Owner/President has caused this instrument to be executed on this _____ day of _____, 2022.

Approved as to form:

Law Director

City of North Royalton

By: _____

Mayor Larry Antoskiewicz

TMRD, Ltd.,

By: _____

Title: _____

Lessee Kent Corporation

By: _____

Title: _____

Note: A copy of this agreement must be forwarded to the Ohio Department of Development within fifteen (15) days of finalization.



City of North Royalton

Mayor Larry Antoskiewicz

14600 State Road • North Royalton, OH 44133
440-877-1178 fax: • 440-877-1176

Law Department

Thomas A. Kelly
Law Director
and Chief Prosecutor

Donna M. Vozar
Assistant Law Director
and 1st Assistant Prosecutor

James J. McDonnell
2nd Assistant Prosecutor

January 14, 2022

VIA HAND DELIVERY January 14, 2022 and by REGULAR U.S. MAIL

David Mangas
Superintendent
Cuyahoga Valley Career Center
8001 Brecksville Road
Brecksville, Ohio 44141

Dear Mr. Mangas:

Pursuant to Ohio Revised Code Section 5709.83, please accept this correspondence as notice to you as representative of your district that an Ordinance will be introduced in the City Council of North Royalton on February 1, 2022, which, if adopted will grant a tax exemption to TMRD, Ltd., and Lessee Kent Corporation.

As required by the statute enclosed please find a copy of the application filed by the applicant, TMRD, Ltd., and Lessee Kent Corporation. Also enclosed is a copy of the proposed Agreement between the parties.

This notice is being delivered to you at least 14 days prior to the meeting scheduled for February 1, 2022 as required.

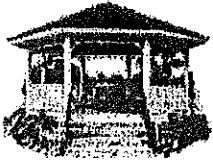
Respectfully,

Thomas A. Kelly
Law Director

TAK/hm

cc: Larry Antoskiewicz, Mayor
Thomas Jordan, Community Development Director
Dana Schroeder, Director of Legislative Services

Enclosures



City of North Royalton

Mayor Larry Antoskiewicz

14600 State Road • North Royalton, OH 44133
440-877-1178 fax: • 440-877-1176

Law Department

Thomas A. Kelly
Law Director
and Chief Prosecutor

Donna M. Vozar
Assistant Law Director
and 1st Assistant Prosecutor

James J. McDonnell
2nd Assistant Prosecutor

January 14, 2022

VIA HAND DELIVERY January 14, 2022 and by REGULAR U.S. MAIL

Michael Laub
Superintendent
North Royalton City Schools
6579 Royalton Road
North Royalton, Ohio 44133

Dear Mr. Laub:

Pursuant to Ohio Revised Code Section 5709.83, please accept this correspondence as notice to you as representative of your district that an Ordinance will be introduced in the City Council of North Royalton on February 1, 2022, which, if adopted will grant a tax exemption to TMRD, Ltd., and Lessee Kent Corporation.

As required by the statute enclosed please find a copy of the application filed by the applicant, TMRD, Ltd., and Lessee Kent Corporation. Also enclosed is a copy of the proposed Agreement between the parties.

This notice is being delivered to you at least 14 days prior to the meeting scheduled for February 1, 2022 as required.

Respectfully,

Thomas A. Kelly
Law Director

TAK/hm

cc: Larry Antoskiewicz, Mayor
Thomas Jordan, Community Development Director
Dana Schroeder, Director of Legislative Services

Enclosures

COMMUNITY REINVESTMENT AREA AGREEMENT

This agreement made and entered into by and between **the City of North Royalton, Ohio**, a municipal corporation, with its main office located at 14600 State Road, North Royalton, Ohio (hereinafter referred to as "City") and **TMRD, Ltd.**, and Lessee Kent Corporation with its main offices located at 9601 York Alpha Dr., North Royalton, Ohio, (hereinafter referred to as "property owner").

WITNESSETH;

WHEREAS, City of North Royalton has encouraged the development of real property and the acquisition of personal property located in the area designated as a Community Reinvestment Area; and

WHEREAS, **TMRD, Ltd., and Lessee Kent Corporation** is desirous of constructing a **new office facility to facilitate the expansion of services and products, see exhibit A, attached and incorporated herein**, (hereinafter referred to as the "PROJECT") within the boundaries of the aforementioned Community Reinvestment Area, provided that the appropriate development incentives are available to support the economic viability of said PROJECT; and

WHEREAS, the Council of North Royalton, Ohio by Ordinance No. 15-34 adopted on March 3, 2015, designated the area as an "Community Reinvestment Area" pursuant to Chapter 3735 or the Ohio Revised Code; and

WHEREAS, effective June 9, 2015, the Director of Development of the State of Ohio determined that the aforementioned area designated in said Ordinance 15-34 contained the characteristics set forth in Section 3735.66 of the Ohio Revised Code and confirmed said area as a Community Reinvestment Area under said Chapter 3735; and

WHEREAS, the City of North Royalton having the appropriate authority for the stated type of project, is desirous of providing TMRD, Ltd., and Lessee Kent Corporation with incentives available for the development of the PROJECT in said Community Reinvestment Area under Chapter 3735 of the Ohio Revised Code; and

WHEREAS, TMRD, Ltd., and Lessee Kent Corporation submitted a proposed agreement application (herein attached as Exhibit B) to the City of North Royalton said application (hereinafter referred to as "APPLICATION"); and

WHEREAS, **TMRD, Ltd., and Lessee Kent Corporation** has remitted the required state application fee of \$750.00 made payable to the Ohio Department of Development with the application to be forwarded to said department with a copy of the final agreement; and

WHEREAS, the City of North Royalton has investigated the application of TMRD, Ltd., and Lessee Kent Corporation and has recommended the same to the Council of City of North Royalton on the basis that that it is qualified by financial responsibility and business experience to create and preserve employment opportunities in said Community Reinvestment Area and improve the economic climate of North Royalton; and

WHEREAS, the project site as proposed by **TMRD, Ltd., and Lessee Kent Corporation** is located in the North Royalton School District and the Cuyahoga Joint Vocational School District have been

notified in accordance with Section 5709.83 and been given a copy of the APPLICATION; and

WHEREAS, pursuant to Section 3735.67(A) and in conformance with the format required under Section 3735.671(B) of the Ohio Revised Code, the parties hereto desire to set forth their agreement with respect to matters hereinafter contained;

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. **TMRD, Ltd., and Lessee Kent Corporation** shall add/construct 15,000 square feet to the building. The addition will add 5,000 square feet of warehouse storage space and 10,000 square feet of additional space for rebuilding of machines and general assembly of new machines. This will enable Kent Corporation to offer more product timely and efficiently to our clients. Upon completion, new hires for the space include 2 production, 1 salesperson, and 1 maintenance service technician.

The PROJECT will involve a total investment of One Million Two Hundred Twenty Thousand Dollars (\$1,220,000.00) as follows:

Additions/New Construction:	\$900,000
Improvements to existing buildings:	\$35,000
Machinery & Equipment:	\$15,000
Furniture & Fixtures:	\$20,000
Inventory:	\$250,000

The PROJECT will begin February 15, 2022 and all acquisition, construction and will be completed by January 1, 2023.

2. **TMRD, Ltd., and Lessee Kent Corporation** shall create within a time period not exceeding 24 months after the conclusion of construction of the aforesaid facility, four (4) new full-time permanent job opportunities by Kent Corporation.

The building addition is to expand the workspace and storage of the facility for the production area of the manufacturer, Kent Corporation. This addition will allow space for Kent Corporation to hire 4 new full time permanent employees at the facility. The additional 4 employee's payroll costs will be approximately \$300,000/year. Kent Corporation currently stores a portion of their inventory in an offsite facility in Shelby, Ohio. The new building addition will allow this inventory to be stored onsite for accessibility without need for additional freight costs between the two facilities. The freight cost between facilities is approximately \$2,800/month (33,600/year) on average and the storage rent fees for the offsite facility is \$4,550/month (54,600/year) on average.

3. **TMRD, Ltd., and Lessee Kent Corporation** shall provide to the proper Tax Incentive Review Council any information reasonably required by the council to evaluate the property owner's compliance with the agreement, including returns filed pursuant to section 5711.02 of the Ohio Revised Code if requested by the council.

4. The City of North Royalton hereby grants **TMRD, Ltd. and Lessee Kent Corporation** a tax exemption for real property improvements made to the PROJECT site pursuant to Section 3735.67 of the Ohio Revised Code in the following amounts:

Exemption Term-15 years

Percentage of Exemption-49%

Each identified project improvement will receive a 15-year exemption period. The exemption commences the first year for which the Real Property exemption would first be taxable were that property not exempted from taxation. No exemption shall commence before January 1, 2023 nor extend beyond December 31, 2038.

5. **TMRD, Ltd., and Lessee Kent Corporation** shall pay an annual fee equal to the greater of one percent of the dollar value of incentives offered under the agreement or five hundred dollars: provided, however, that if the value of the incentives exceeds two hundred fifty thousand dollars, the fee shall not exceed two thousand five hundred dollars.

The fee shall be made payable to the City of North Royalton once per year for each year the agreement is effective by certified check. The fee is to be paid to finance director and made out to the City of North Royalton. This fee shall be deposited in a special fund created for such purpose and shall be used exclusively for the purpose of complying with section 3735.671(D) of the revised code and by the tax incentive review council created under section 3735.671(D) of the revised code exclusively for the purposes of performing the duties prescribed under that section.

6. **TMRD, Ltd., and Lessee Kent Corporation** shall pay such real and tangible personal property taxes as are not exempted under this agreement and are charged against such property and shall file all tax reports and returns as required by law. If **TMRD, Ltd., and Lessee Kent Corporation** 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.
7. City of North Royalton shall perform such acts as are reasonably necessary or appropriate to effect, claim, reserve, and maintain exemptions from taxation granted under this agreement including, without limitation, joining in the execution of all documentation and providing any necessary certificates required in connection with such exemptions.
8. If for any reason the Community Reinvestment Area designation expires, the Director of the Ohio Department of Development revokes certification of the zone, or the City of North Royalton revokes the designation of the zone, entitlements granted under this agreement shall continue for the number of years specified under this agreement, unless **TMRD, Ltd., and Lessee Kent Corporation** fails to fulfill its obligations under this agreement the City of North Royalton terminates or modifies the exemptions from taxation granted under this agreement.
9. If North Royalton materially fails to fulfill its obligations under this agreement, or if the City of North Royalton determines that the certification as to delinquent taxes required by this agreement is fraudulent, the City of North Royalton may terminate or modify the exemptions from taxation granted under this agreement.
10. **TMRD, Ltd., and Lessee Kent Corporation** hereby certifies that at the time this agreement is executed, **TMRD, Ltd., and Lessee Kent Corporation**, 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 **TMRD, Ltd., and Lessee Kent Corporation** are liable under Chapter 5733., 5735., 5739., 5741., 5743., 5747., or 5753. of the Revised Code, or, if

such delinquent taxes are owed, **TMRD, Ltd., and Lessee Kent Corporation** currently are 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 **TMRD, Ltd., and Lessee Kent Corporation** 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.

11. **TMRD, Ltd., and Lessee Kent Corporation** covenants that it does not owe: (1) any delinquent taxes to the State of Ohio or a political subdivision of the State; (2) any moneys to the State or a state agency for the administration or enforcement of any environmental laws of the State; and (3) any other moneys to the State, a state agency or a political subdivision of the State that are past due, whether the amounts owed are being contested in a court of law or not.
12. **TMRD, Ltd., and Lessee Kent Corporation** and City of North Royalton acknowledge that this agreement must be approved by formal action of the legislative authority of the City of North Royalton as a condition for the agreement to take effect. This agreement takes effect upon such approval.
13. The City of North Royalton has developed a policy to ensure recipients of Community Reinvestment Area tax benefits practice non-discriminating hiring in its operations. By executing this agreement, **TMRD, Ltd., and Lessee Kent Corporation** is committing to following non-discriminating hiring practices acknowledging that no individual may be denied employment solely on the basis of race, religion, sex, disability, color, national origin, or ancestry.
14. Exemptions from taxation granted under this agreement shall be revoked if it is determined that **TMRD, Ltd., and Lessee Kent Corporation** any successor property owner, or any related member (as those terms are defined in Section 3735.671 of the Ohio Revised Code) has violated the prohibition against entering into this agreement under Division (E) of Section 3735.671 or Section 5709.62 or 5709.63 of the Ohio Revised Code prior to the time prescribed by that division or either of those sections.
15. **TMRD, Ltd., and Lessee Kent Corporation** affirmatively covenants that it has made no false statements to the State or local political subdivisions in the process of obtaining approval of the Community Reinvestment Area incentives. If any representative of **TMRD, Ltd., and Lessee Kent Corporation** has knowingly made a false statement to the State or local political subdivision to obtain the Community Reinvestment Area incentives, **TMRD, Ltd., and Lessee Kent Corporation** shall be required to immediately return all benefits received under the Community Reinvestment Area Agreement pursuant ORC Section 9.66(C)(2) and shall be ineligible for any future economic development assistance from the State, any state agency or a political subdivision pursuant to ORC Section 9.66(C)(1). 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.
16. This agreement is not transferable or assignable without the express, written approval of The City of North Royalton.

{The remainder of this page is left intentionally blank.}

IN WITNESS WHEREOF, the City of North Royalton Ohio, by Mayor Larry Antoskiewicz, its Mayor, and pursuant to Ordinance No.21 has caused this instrument to be executed this _____ day of _____, 2022 and **TMRD, Ltd., and Lessee Kent Corporation** by _____, its Owner/President has caused this instrument to be executed on this _____ day of _____, 2022.

Approved as to form:

Law Director

City of North Royalton

By: _____

Mayor Larry Antoskiewicz

TMRD, Ltd.,

By: _____

Title: _____

Lessee Kent Corporation

By: _____

Title: _____

Note: A copy of this agreement must be forwarded to the Ohio Department of Development within fifteen (15) days of finalization.



City of North Royalton

Mayor Larry Antoskiewicz

Thomas J. Jordan Community Development Director

11545 Royalton Road, North Royalton, OH 44133

Phone: 440-237-5484

Email: tjordan@northroyalton.org

PROPOSED AGREEMENT for Community Reinvestment Area Tax Incentives between the
City of North Royalton, Ohio located in the County of Cuyahoga and
TMRD, Ltd.

1. a. Name of property owner, home or main office address, contact person, and telephone number (attach additional pages if multiple enterprise participants).

TMRD, Ltd
Enterprise Name

Dean Costello
Contact Person

9601 York Alpha Drive,
North Royalton, OH 44133
Address

1 (440) 582-3400
Telephone Number

b. Project site:

TMRD Ltd
(Lessee: Kent Corporation)

Dean Costello
Contact Person

9601 York Alpha Drive,
North Royalton, OH 44133
Address

1 (440) 582-3400
Telephone Number

2. a. Nature of commercial/Industrial activity (manufacturing, warehousing, wholesale or retail stores, or other) to be conducted at the site.

Manufacturing - Kent Corporation as Lessee

b. List primary 6 digit North American Industry Classification System (NAICS) #

Kent Corporation # 423830

Business may list other relevant SIC numbers. Dun & Bradstreet D-U-N-S#

Kent Corporation # 061717955

c. If a consolidation, what are the components of the consolidation? (must itemize the location, assets, and employment positions to be transferred): N/A

d. Form of business of enterprise (corporation, partnership, proprietorship, or other).

TMRD Ltd (Lessee: Kent Corporation - S Corporation)

3. Name of principal owner(s) or officers of the business.

Dean Costello

4. a. State the enterprise's current employment level at the proposed project site:

Kent Corporation - 44 Employees

b. Will the project involve the relocation of employment positions or assets from one Ohio location to another? Yes ___ No X

c. If yes, state the locations from which employment positions or assets will be relocated and the location to where the employment positions or assets will be located:

N/A

d. State the enterprise's current employment level in Ohio (itemized for full and part-time and permanent and temporary employees):

Kent Corporation - Full Time/Permanent - 40 Part Time/Permanent - 4

e. State the enterprise's current employment level for each facility to be affected by the relocation of employment positions or assets:

N/A

f. What is the projected impact of the relocation, detailing the number and type of employees and/or assets to be relocated?

N/A

5. Does the Property Owner owe:

a. Any delinquent taxes to the State of Ohio or a political subdivision of the state?
Yes ___ No X

b. Any moneys to the State or a state agency for the administration or enforcement of any environmental laws of the State? Yes ___ No X

c. Any other moneys to the State, a state agency or a political subdivision of the State that are past due, whether the amounts owed are being contested in a court of law or not?

Yes ___ No x

- d. If yes to any of the above, please provide details of each instance including but not limited to the location, amounts and/or case identification numbers (add additional sheets).
6. Project Description: We plan to add 15,000 square feet to the building. The addition will add 5,000 square feet of warehouse storage space and 10,000 square feet of additional space for rebuilding of machines and general assembly of new machines. This will enable Kent Corporation to offer more product timely and efficiently to our clients. Upon completion, new hires for the space include 2 production, 1 salesperson, and 1 maintenance service technician.
7. Project will begin February 15, 2022 and be completed January 1, 2023 provided a tax exemption is provided.
- 8 a. Estimate the number of new employees the property owner will cause to be created at the facility that is the project site (job creation projection must be itemized by the name of the employer, full and part-time and permanent and temporary):

4 Full Time Permanent Employees by Kent Corporation

b. State the time frame of this projected hiring: 2 yrs.

c. State proposed schedule for hiring (itemize by full and part-time and permanent and temporary employees):

By Kent Corporation -- 4 full time permanent within 2 years

9 a. Estimate the amount of annual payroll such new employees will add \$ 300,000 full time/permanent by Kent Corporation (new annual payroll must be itemized by full and part-time and permanent and temporary new employees).

b. Indicate separately the amount of existing annual payroll relating to any job retention claim resulting from the project: \$ 3,060,000 at Kent Corporation _____

10. An estimate of the amount to be invested by the enterprise to establish, expand, renovate or occupy a facility:

A. Acquisition of Buildings:	\$ _____
B. Additions/New Construction:	\$ <u>900,000</u>
C. Improvements to existing buildings:	\$ <u>35,000</u>
D. Machinery & Equipment:	\$ <u>15,000</u>
E. Furniture & Fixtures:	\$ <u>20,000</u>
F. Inventory:	\$ <u>250,000</u>
Total New Project Investment:	\$ <u>1,220,000</u>

11. a. Business requests the following tax exemption incentives: 49 % for 15 years covering real building addition as described above. Be specific as to the rate, and term.
- b. Business's reasons for requesting tax incentives (be quantitatively specific as possible)

The building addition is to expand the workspace and storage of the facility for the production area of the manufacturer, Kent Corporation. This addition will allow space for Kent Corporation to hire 4 new full time permanent employees at the facility. The additional 4 employees payroll costs will be approximately \$300,000/year.

Kent Corporation currently stores a portion of their inventory in an offsite facility in Shelby, Ohio; the new building addition will allow this inventory to be stored onsite for accessibility without need for additional freight costs between the two facilities. The freight cost between facilities is approximately \$2,800/month (33,600/year) on average and the storage rent fees for the offsite facility is \$4,550/month (54,600/year) on average.

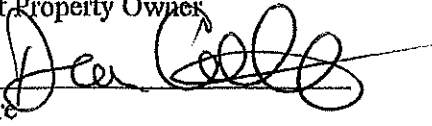
Submission of this application expressly authorizes City of North Royalton, Ohio to contact the Ohio Environmental Protection Agency to confirm statements contained within this application including item # 5 and to review applicable confidential records. As part of this application, the property owner may also be required to directly request from the Ohio Department of Taxation, or complete a waiver form allowing the Department of Taxation to release specific tax records to the local jurisdiction considering the request.

The Applicant agrees to supply additional information upon request.

The Applicant affirmatively covenants that the information contained in and submitted with this application is complete and correct and is aware of the ORC Sections 9.66(C) (1) and 2921.13(D) (1) penalties for falsification which could result in the forfeiture of all current and future economic development assistance benefits as well as a fine of not more than \$1,000 and/or a term of imprisonment of not more than six months.

DEAN Costello
Name of Property Owner

1/13/22
Date


Signature

Dean Costello CEO
Typed Name and Title

* A copy of this proposal must be forwarded by the local governments to the affected Board of Education along with notice of the meeting date on which the local government will review the proposal. Notice must be given a minimum of fourteen (14) days prior to the scheduled meeting to permit the Board of Education to appear and/or comment before the legislative authorities considering the request.

** Attach to Final Community Reinvestment Area Agreement as Exhibit A

Please note that copies of this proposal must be included in the finalized Community Reinvestment Area Agreement and be forwarded to the Ohio Department of Taxation and the Ohio Development Services Agency within fifteen (15) days of final approval.