

P/C 2/2/16 Finance
CA 2/9/16 - amended
1st R 2/16/16
2nd R 3/1/16
3rd R 3/15/16
B/C _____

CITY OF BROOK PARK, OHIO

ORDINANCE NO: 9998-2016

INTRODUCED BY: MAYOR COYNE

AN ORDINANCE AUTHORIZING
THE CITY OF BROOK PARK TO PROVIDE A JOB RETENTION & BUSINESS
EXPANSION GRANT TO CUYAHOGA MACHINE COMPANY, LLC., 5250 West
137th STREET.

WHEREAS, Bogdan Real Estate LLC purchased 3.5 acres of unutilized and vacant land located at 5250 West 137th, Brook Park, Ohio in 2011;

WHEREAS, Cuyahoga Machine Company, LLC. is a 50 year old family owned and operated full service metal fabricating and machine facility servicing the steel processing, mining, light/heavy construction & waste removal industries;

WHEREAS, Cuyahoga Machine & Bogdan Real Estate are inter related companies with common ownership;

WHEREAS, Cuyahoga Machine & Bogdan have invested over \$1,250,000 Million Dollars constructing a 25,000 square foot state of the art industrial machine, equipment & repair facility at 5250 West 137th Street, Brook Park, Ohio;

WHEREAS, Cuyahoga Machine has invested over \$500,000 in industrial equipment, lathes, CNCs and mills in its new facility at 5250 West 137th Street, Brook Park, Ohio;

WHEREAS, Cuyahoga Machine relocated its entire business to the City of Brook Park from the City of Cleveland in 2012;

WHEREAS, Cuyahoga Machine employs fourteen (14) full time employees and has maintained an average payroll of \$750,000 over the past few years;

WHEREAS, in order to maintain its current payroll, remain competitive, create jobs, construct new facilities and expand its business services portfolio within the City, Cuyahoga Machine seeks an economic development grant to purchase new equipment, specifically, a Sharp Model 2280NC lathe;

WHEREAS, Cuyahoga Machine anticipates employing between 12-15 persons with living wages at an estimated payroll of at least \$750,000 per annum and believes the new equipment will allow it add up to two additional full time employees;

WHEREAS, Cuyahoga Machine plans to expend \$200,000 to expand its buildings and facilities in 2016;

WHEREAS, Cuyahoga Machine is located within the City's Enterprise and Target Improvement Zone;

WHEREAS, the City of Brook Park encourages the development of business within the City's Enterprise and Target Improvement Zones; and

WHEREAS, Cuyahoga Machine is desirous of expanding its facilities and acquiring equipment which will maintain current employment and create up to two (2) new employment opportunities within the City of Brook Park, provided that appropriate business expansion, retention and development incentives are available from the City; and

WHEREAS, Financial assistance from the City of Brook Park is necessary to secure the investment of Cuyahoga Machine and Bogdan in Cuyahoga's project;

WHEREAS, the City of Brook Park, having the appropriate authority for the stated type of project, is desirous of providing Cuyahoga Machine Company, LLC job retention and job/business expansion incentives to promote economic activity within the City consistent with the purposes of Section 13 of Article VIII of the Ohio Constitution to create or preserve jobs and employment opportunities, to eradicate and mitigate blight within the City, and to improve the economic welfare of the people of the State; and

WHEREAS, the Mayor of the City of Brook Park has investigated the request of Cuyahoga Machine Company LLC for job creation, retention and economic development grant assistance and recommends the same to the City Council on the basis that Cuyahoga Machine Company LLC is qualified by financial responsibility and business experience to create and preserve employment opportunities and improve the economic climate of the City of Brook Park;

NOW THEREFORE, BE IT ORDAINED, by the Council of the City of Brook Park, State of Ohio, that:

SECTION 1: This Council agrees to provide a job retention, creation and economic development assistance grant to Cuyahoga Machine Company, LLC to be applied exclusively to the purchase of (1) Sharp Model 2280NC tool room lathe for installation and

operation at 5250 West 137th Street Brook Park, Ohio in an amount of \$50,000.00, provided that Cuyahoga Machine utilizes best efforts to commence and expend \$200,000 to expand its buildings and facilities on or before January 1, 2017 and provided the Cuyahoga Machine maintains its base payroll at 2015 levels throughout the useful life of the machine.

SECTION 2: The Mayor is authorized to enter into a Job Creation, Retention & Economic Development Grant Agreement with Cuyahoga Machine in the amount of \$50,000.00 provided Cuyahoga Machine agrees to maintain its current payroll levels for the useful life of the equipment, uses its best efforts to expand its payroll, and expands its physical plant by investing \$200,000 and commencing construction of new buildings and structures by January 2017.

SECTION 3: The money needed for the aforesaid transaction shall be paid to Cuyahoga Machine Company LLC from funds appropriated for brownfield redevelopment and economic development to Cuyahoga Machine Company LLC upon the delivery and installation of the equipment at 5250 West 137th Street, Brook Park, Ohio and said funds shall be exclusively applied to the costs, expenses and fees arising from and/or incurred by Cuyahoga Machine Company, LLC in furtherance of the purchase of the aforesaid machine and equipment.

SECTION 4: The machine and equipment to be acquired by Cuyahoga Machine Company shall be operated solely at 5250 West 137th, Brook Park, Ohio and shall not be sold, dismantled or otherwise removed during the useful life (fifteen (15) years) of the aforesaid machine and equipment.

SECTION 5: The City of Brook Park shall maintain an equitable interest in the ownership of the machine and equipment to be acquired by Cuyahoga Machine Company which interest shall expire upon the expiration of the covenants set forth in Section 3 herein;

SECTION 6: It is found and determined that all formal actions of this Council concerning and relating to the adoption of this Ordinance were adopted in an open meeting of this Council, and that all deliberations of this Council and of any of its committees that resulted in such formal action were in meetings open to the public in compliance with all legal requirements, including Sections 121.22 of the Ohio Revised Code.

SECTION 7: This Ordinance shall take effect at the earliest time allowed by law.

PASSED: March 15, 2016

Simon Pastorek
PRESIDENT OF COUNCIL

ATTEST: Michelle Blazak
Clerk of Council

APPROVED: [Signature]
MAYOR

3/16/2016
DATE

I HEREBY APPROVE THE WITHIN INSTRUMENT AS TO LEGAL FORM AND CORRECTNESS

[Signature]
DIRECTOR OF LAW

CERTIFICATE
Michelle Blazak, Clerk of Council, of the City of Brook Park, Ohio, do hereby certify that the foregoing is a true and accurate copy of Ordinance/Resolution No. 4998-2016 passed on the 15th day of March 2016 by said council.
Michelle Blazak
Clerk of Council

I, Michelle Blazak, Clerk of Council for the City of Brook Park, State of Ohio, do hereby certify that there is no newspaper of general circulation in the municipality and that publication of the foregoing ordinances/resolutions was made by posting true copies at six of the most public places in said municipality as determined by Ordinance No. 4838-1976; location City Hall 6181 Engle Road, Police Station 17401 Holland Road, #1 Fire Station 2590 Smith Road, #2 Fire Station 22530 Ruple Parkway, #3 Fire Station 17401 Holland Road, Brook Park Library 6165 Engle Road, for a period of fifteen days.
commencing March 16, 2016
Michelle Blazak
MICHELLE BLAZAK
Clerk of Council

**JOB CREATION, RETENTION & ECONOMIC DEVELOPMENT
GRANT AGREEMENT & COGNOVIT NOTE
CITY OF BROOK PARK, OHIO**

WHEREAS, Bogdan Real Estate LLC purchased 3.5 acres of unutilized and vacant land located at 5250 West 137th, Brook Park in 2011;

WHEREAS, Cuyahoga Machine Company, LLC. is a 50 year old family owned and operated full service metal fabricating and machine facility servicing the steel processing, mining, light/heavy construction & waste removal industries;

WHEREAS, Cuyahoga Machine & Bogdan Real Estate are inter related companies with common ownership;

WHEREAS, Cuyahoga Machine & Bogdan have invested over \$1,250,000 Million Dollars constructing a 25,000 square foot state of the art industrial machine, equipment & repair facility at 5250 West 137th Street, Brook Park, Ohio;

WHEREAS, Cuyahoga Machine has invested over \$500,000 in industrial equipment, lathes, CNCs and mills in its new facility at 5250 West 137th Street, Brook Park, Ohio;

WHEREAS, Cuyahoga Machine relocated its entire business to the city of Brook Park from the city of Cleveland in 2012;

WHEREAS, Cuyahoga Machine employs fourteen (14) full time employees and has maintained an average payroll of \$750,000 over the past few years;

WHEREAS, in order to maintain its current payroll, remain competitive, create jobs, construct new facilities and expand its business services portfolio within the city, Cuyahoga Machine seeks an economic development grant to purchase a new equipment, specifically, a Sharp Model 2280NC lathe;

WHEREAS, Cuyahoga Machine anticipates employing between 12-15 persons with living wages at an estimated payroll of at least \$750,000 per annum and believes the new equipment will allow it add up to two additional full time employees;

WHEREAS, Cuyahoga Machine plans to expend \$200,000 to expand its buildings and facilities in 2016;

WHEREAS, Cuyahoga Machine is located within the City's Enterprise and Target Improvement Zone;

WHEREAS, the City of Brook Park encourages the development of business within the City's Enterprise and Target Improvement Zones; and

WHEREAS, Cuyahoga Machine is desirous of expanding its facilities and acquiring equipment which will maintain current employment and create up to two (2) new employment opportunities within the City of Brook Park, provided that appropriate business expansion, retention and development incentives are available from the City; and

WHEREAS, Financial assistance from the City of Brook Park is necessary to secure the investment of Cuyahoga Machine and Bogdan in Cuyahoga's project;

WHEREAS, the City of Brook Park, having the appropriate authority for the stated type of project, is desirous of providing Cuyahoga Machine Company, LLC job retention and job/business expansion incentives to promote economic activity within the City consistent with the purposes of Section 13 of Article VIII of the Ohio Constitution to create or preserve jobs and employment opportunities, to eradicate and mitigate blight within the City, and to improve the economic welfare of the people of the State; and

WHEREAS, the Mayor of the City of Brook Park has investigated the request of Cuyahoga Machine Company LLC for job creation, retention and economic development grant assistance and recommends the same to the City Council on the basis that Cuyahoga Machine Company LLC is qualified by financial responsibility and business experience to create and preserve employment opportunities and improve the economic climate of the City of Brook Park; and

WHEREAS, the Brook Park City Council Ord. No. 9998 2016 authorizes the Mayor to enter into a Job Creation, Retention & Economic Development Grant Agreement with Cuyahoga Machine;

NOW THEREFORE, in consideration of the foregoing, and in reliance upon the mutual covenants, promises and agreements contained herein, the City of Brook Park, Ohio (herein "Grantor") and Cuyahoga Machine Company LLC and Bogdan Real Estate LLC., jointly, severally and collectively (herein "Grantees"), enter into this agreement and cognovit promissory note:

SECTION 1: The Grantor shall provide a job retention, creation and economic development assistance grant to Grantees in the amount of \$50,000.00 (US) to be applied exclusively to the purchase of (1) Sharp Model 2280NC tool room lathe for installation and operation at 5250 West 137th Street Brook Park in an amount of \$50,000.00;

SECTION 2: Grantees agree to utilize best efforts to commence and expend \$200,000 to expand its buildings and facilities on or before January 1, 2017

SECTION 3: Grantees agree to maintain its base payroll in the City of Brook Park at 2016 levels (\$750,000.00 per annum) throughout the useful life of the machine and to use best efforts to expand its payroll by two (2) employees in 2017.

SECTION 5: Grantees agree that the grant money shall be exclusively applied to the costs, expenses and fees arising from and/or incurred by Grantees in furtherance of the purchase of the aforesaid machine and equipment upon the delivery and installation of the equipment at 5250 West 137th Street, Brook Park.

SECTION 7: Grantees agree that the machine and equipment to be acquired shall be operated solely at 5250 West 137th, Brook Park and shall not be sold, dismantled or otherwise removed during the useful life (fifteen (15) years) of the aforesaid machine and equipment.

SECTION 8: Grantees agree that Grantor shall maintain an equitable interest in the ownership of the machine and equipment to be acquired by Grantee which interest shall expire upon the expiration of the covenants set forth in Section 3 herein;

SECTION 9: Any breach of the aforesaid minimum payroll guaranty by Grantees shall entitle Grantor to a pro rata recovery of the grant over the useful life (15 years) of the equipment for which this grant is authorized.

SECTION 10: This Agreement is the complete agreement of the parties concerning the subject matter hereof and supersedes any prior such agreements with respect to further disclosures on such subject matter; may not be amended or in any manner modified except in a writing signed by Grantor and Grantee, and shall be governed and construed in accordance with the laws of the State of Ohio. If any provision of this Agreement is found to be unenforceable, the remainder shall be enforced as fully as possible and the unenforceable provision shall be deemed modified to limited extent required to permit its enforcement in a manner most closely representing the intention of the parties as expressed herein;

SECTION 11: This Agreement shall be binding on the parties hereto and their agents, servants, representatives, assigns, heirs, employees, officers, directors and successors. This Agreement can not be assigned, delegated, pledged or transferred with the prior written agreement of the Grantor.

SECTION 12: A waiver, whether specific or general, of any of the terms and conditions of this Agreement by Grantor shall not constitute a waiver of any other term or condition hereof. Grantor reserves the right to reinstate any such waiver with notice to Grantee.

SECTION 13: Any person executing this Agreement on behalf of the Grantor or Grantees agrees and covenants that he/she has obtained the requisite approval to bind such entity, and that such entity is bound by the execution of this Agreement by the person(s) executing the Agreement.

THE UNDERSIGNED GRANTEEES HEREBY AUTHORIZE ANY ATTORNEY-AT - LAW TO APPEAR IN CONNECTION WITH ANY ACTION ON THIS NOTE AT ANY TIME AFTER THIS NOTE SHALL BECOME DUE (WHETHER AT MATURITY OR BY ACCELERATION), IN ANY COURT OF RECORD SITUATED IN THE COUNTY OF CUYAHOGA, OHIO OR SUCH OTHER COUNTY AUTHORIZED BY OHIO REVISED CODE SECTION 2323.13, WAIVE THE ISSUANCE AND SERVICE OF PROCESS, AND CONFESS JUDGEMENT IN FAVOR OF THE GRANTOR AGAINST THE GRNATEES, JOINTLY AND SEVERALLY, FOR THE AMOUNT THEN DUE HEREON, WITH INTEREST AT THE CURRENT PRIME RATE, PLUS COSTS OF SUIT, AND TO WAIVE AND RELEASE ALL ERRORS IN SAID PROCEEDINGS AND THE RIGHT OF APPEAL FROM THE JUDGEMENT RENDERED AND STAY OF EXECUTION.

The foregoing warrant of attorney shall survive any judgment, and should any judgment be vacated for any reason, the parents may nevertheless utilize the foregoing warrant of attorney in thereafter obtaining an additional judgment or judgments against the undersigned.

Demand and presentment for payment are hereby knowingly, voluntarily, intelligently and expressly waived by the Grantees.

WARNING: BY SIGNING THIS PAPER YOU GIVE UP YOUR RIGHT TO NOTICE AND COURT TRIAL. IF YOU DO NOT PAY ON TIME A COURT JUDGEMENT MAY BE TAKEN AGAINST YOU WITHOUT YOUR PRIOR KNOWLEDGE AND THE POWERS OF A COURT CAN BE USED TO COLLECT FROM YOU REGARDLESS OF ANY CLAIMS YOU MAY HAVE AGAINST THE CREDITOR WHETHER FOR RETURNED GOODS, FAULTY GOODS, FAILURE ON HIS PART TO COMPLY WITH THE AGREEMENT OR ANY OTHER CAUSE.

Executed at Brook Park, Ohio this ____ day of _____,
2016.

Grantor:
CITY OF BROOK PARK, OHIO

Date:

BY: Thomas J. Coyne, Mayor

Grantee(s):
Cuyahoga Machine Company

Date:

BY: Michael Kazimour, Pres.

Bogdan Real Estate LLC.

Date:

BY: Richard Bogdan, Member

Cuyahoga Machine Company Amortization Schedule

Year	Amount
1	\$50,000.00
2	\$46,666.67
3	\$43,333.34
4	\$40,000.00
5	\$37,333.00
6	\$33,333.35
7	\$30,000.02
8	\$26,666.69
9	\$23,333.36
10	\$20,000.03
11	\$16,666.70
12	\$13,333.37
13	\$10,000.04
14	\$6,666.71
15	\$3,333.38