

P/C 5/17/16 Finance
Cau 10/25/16 - amended
1st R 11/1/16
2nd R 11/15/16
3rd R 2/7/17
B/C 11/22/16
Cau 11/22/16
Cau 1/24/17 - amended

CITY OF BROOK PARK, OHIO

ORDINANCE NO: 10052-2016

INTRODUCED BY: MAYOR COYNE

AN ORDINANCE AUTHORIZING
THE CITY OF BROOK PARK TO PROVIDE A JOB RETENTION & BUSINESS
EXPANSION GRANT TO DRABIK MANUFACTURING, INC.,
15601 COMMERCE PARK DRIVE.

WHEREAS, Drabik Manufacturing (Drabik) is a successful family owned machine shop that has been employing and training skilled machinists for over 50 years in northeast Ohio;

WHEREAS, Drabik has been a consistent employer of machinists in Brook Park manufacturing high-precision, complex machined parts for machine tool builders, foundries, steel mills, rail roads, automotive, medical and high tech customers in Ohio and throughout the eastern seaboard since 1993;

WHEREAS, Drabik has invested over \$1.2 Million Dollars in plant and equipment in Brook Park at its 15601 Commerce Park Drive facility since 1990;

WHEREAS, Drabik has generated over \$500,000.00 in payroll in Brook Park over the past ten years;

WHEREAS, Drabik has maintained an average payroll of at least \$500,000.00 per annum since the economic recession that commenced in 2008;

WHEREAS, Drabik employs nine(9) full time and one part time employees and has maintained an average payroll of \$500,000.00 over the past ten (10)years;

WHEREAS, in order to maintain its current payroll, remain competitive, create jobs and expand its business services portfolio within the city, Drabik seeks an economic development grant to assist in the financing of new equipment, specifically, an advanced four-axis Harding V1000 VMC CNC machine that will allow them to manufacture larger more complex machined parts, thereby expanding their manufacturing capabilities.

WHEREAS, the Harding V1000 VMC will cost \$107,523.

WHEREAS, Drabik has secured five year financing from U.S. Bank to acquire the Harding V1000 VMC machine;

WHEREAS, Drabik anticipates employing between 9-12 persons with living wages at an estimated payroll of at least \$500,000.00 per annum and believes the new equipment will allow it add at least two additional full time employees;

WHEREAS, Drabik 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, Drabik is desirous of expanding its business capacity 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 protect Drabik's ability to maintain its payroll and manufacturing capabilities in the city of Brook Park;

WHEREAS, the City of Brook Park, having the appropriate authority for the stated type of project, is desirous of providing Drabik 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 Drabik for job creation, retention and economic development grant assistance and recommends the same to the City Council on the basis that Drabik 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 Drabik Manufacturing, Inc. to be applied exclusively to the purchase of (1) Harding V1000 VMC CNC machine for installation and operation at 15601 Commerce Park Drive, Brook Park in an amount of \$50,000.00, provided that Drabik utilizes best efforts to add two (2) full time employees to its payroll and provided the Drabik maintains its base payroll at 2015 levels throughout the useful life of the machine (fifteen (15) years).

SECTION 2: The Mayor is authorized to enter into a Job Creation, Retention & Economic Development Grant agreement with Drabik Manufacturing in the amount of \$50,000.00 provided Drabik agrees to maintain its 2015 payroll levels for the useful life of the equipment and uses its best efforts to expand its payroll by two (2) full time positions.

SECTION 3: The money needed for the aforesaid transaction shall be paid to Drabik Manufacturing, Inc., from funds appropriated for brownfield redevelopment and economic development to Drabik Manufacturing after the delivery and installation of the equipment at 15601 Commerce Park Drive, Brook Park and said funds shall be exclusively applied to the costs, expenses and fees arising from and/or incurred by Drabik Manufacturing, Inc., in furtherance of the purchase and acquisition of the aforesaid machine and equipment.

SECTION 4: The machine and equipment to be acquired by Drabik Manufacturing shall be operated solely at 15601 Commerce Park Drive, 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 5: The City of Brook Park shall maintain an equitable interest in the ownership of the machine and equipment to be acquired by Drabik Manufacturing 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: February 7, 2017

[Signature]
PRESIDENT OF COUNCIL

ATTEST: Michelle Blazak
Clerk of Council

APPROVED: [Signature]
MAYOR
2/7/2017
DATE

I HEREBY APPROVE THE WITHIN INSTRUMENT AS TO LEGAL FORM AND CORRECTNESS
[Signature]
DIRECTOR OF LAW

	Yea	Nay
Troyer	<u> </u>	<u> </u>
Mencini	<u> </u>	<u> </u>
Powers	<u> </u>	<u> </u>
Scott	<u> </u>	<u> </u>
Burgio	<u> </u>	<u> </u>
McCormick	<u> </u>	<u> </u>
Salvatore	<u> </u>	<u> </u>

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. 10052-2016 passed on the 7th day of February, 2017 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. 4838-1975; location City Hall 6161 Engle Road, Police Station 17401 Holland Road, #1 Fire Station 5590 Smith Road, #2 Fire Station 22530 Rupta Parkway, #3 Fire Station 17401 Holland Road, Brook Park Library 6165 Engle Road, for a period of fifteen days.
commencing February 8, 2017
Michelle Blazak
MICHELLE BLAZAK
Clerk of Council

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

WHEREAS, Drabik Manufacturing (Drabik) is a successful family owned machine shop that has been employing and training skilled machinists for over 50 years in northeast Ohio;

WHEREAS, Drabik has been a consistent employer of machinists in Brook Park manufacturing high-precision, complex machined parts for machine tool builders, foundries, steel mills, rail roads, automotive, medical and high tech customers in Ohio and throughout the eastern seaboard since 1993;

WHEREAS, Drabik has invested over \$1.2 Million Dollars in plant and equipment in Brook Park at its 15601 Commerce Park Drive facility since 1990;

WHEREAS, Drabik has generated over \$500,000.00 in payroll in Brook Park over the past ten years;

WHEREAS, Drabik has maintained an average payroll of at least \$500,000.00 per annum since the economic recession that commenced in 2008;

WHEREAS, Drabik employs nine(9) full time and one part time employees and has maintained an average payroll of \$500,000.00 over the past ten (10)years;

WHEREAS, in order to maintain its current payroll, remain competitive, create jobs and expand its business services portfolio within the city, Drabik seeks an economic development grant to assist in the financing of new equipment, specifically, an advanced four-axis Harding V1000 VMC CNC machine that will allow them to manufacture larger more complex machined parts, thereby expanding their manufacturing capabilities.

WHEREAS, the Harding V1000 VMC costs \$107,523.

WHEREAS, Drabik has secured five year financing from U.S. Bank to acquire the Harding V1000 VMC machine;

WHEREAS, Drabik anticipates employing between 9-12 persons with living wages at an estimated payroll of at least \$500,000.00 per annum and believes the new equipment will allow it to add at least two additional full time employees;

WHEREAS, Drabik 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, Drabik is desirous of expanding its business capacity 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 protect Drabik's ability to maintain its payroll and manufacturing capabilities in the city of Brook Park;

WHEREAS, the City of Brook Park, having the appropriate authority for the stated type of project, is desirous of providing Drabik 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 Drabik for job creation, retention and economic development grant assistance and recommends the same to the City Council on the basis that Drabik 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;

WHEREAS, the Brook Park City Council Ord. No. 10052-2016 authorizes the Mayor to enter into a Job Creation, Retention & Economic Development Grant Agreement with Drabik Manufacturing Inc.;

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 Drabik Manufacturing Inc. herein "Grantees"), agree as follows:

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) four-axis Harding V1000 VMC CNC machine for installation and operation at 15601 Brook Park;

SECTION 2: Grantees agree to maintain its base payroll in the City of Brook Park at 2015 levels (\$500,000.00 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 3: Grantees agree to execute a cognovit note in favor of Grantor that provides for the pro rata repayment of the grant in the event Grantee fails to meet the payroll, job creation and investment guarantees set forth herein;

SECTION 4: 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 15601 Commerce Park, Brook Park.

SECTION 5: Grantees agree that the machine and equipment to be acquired shall be operated solely at 15601 Commerce Park, 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 6: 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 2 herein;

SECTION 7: 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 8: Any breach of the 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 9: 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 10: 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 11: 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.

Grantor:
CITY OF BROOK PARK, OHIO

Date:

BY: Thomas J. Coyne, Mayor

Grantee:
Drabik Manufacturing, Inc.

Date:

BY: James R. Drabik, CEO.

Approved as to legal form
And correctness.

Carol Dillon Horvath
Director of Law