

RESOLUTION OF THE CELINA CITY SCHOOL DISTRICT
BOARD OF EDUCATION

May 16, 2016

IN THE MATTER OF APPROVING PROPOSED ENTERPRISE ZONE AGREEMENT FOR PAX MACHINE WORKS, INC, REQUESTING COUNTY APPROVAL OF SAME, AND WAIVING STATUTORY NOTICE PERIODS.

moved the adoption of the following resolution:

WHEREAS, Mercer County, Ohio a political subdivision of the State of Ohio (the "County") and Jefferson Township, Mercer County, Ohio , a political subdivision of the State of Ohio (the "Township"), have created an enterprise zone for the purpose of promoting development and expansion of industry in the area, pursuant to Section 5709.632 of the Ohio Revised Code:

WHEREAS, PAX MACHINE WORKS, INC desires to construct a new building on property located at 5139 Monroe Road, in Jefferson Township, Celina, Mercer County, which is located in the enterprise zone, provided that the appropriate development incentives are available to support the economic viability of the project;

WHEREAS, the Company has submitted a proposed enterprise zone agreement application (the "Application"), a copy of which was received by the Board of Education of the Celina City School District (the "Board") (attached hereto as Exhibit A);

WHEREAS, it is anticipated that an enterprise zone agreement (the "Agreement") substantially in the form attached hereto as Exhibit B will be executed by and among the County, the Township and the Company;

WHEREAS, pursuant to Section 5709.63(C) of the Ohio Revised Code, it has been requested that the Board approve the Agreement, including but not limited to the terms of the Agreement that provide for real property tax exemption of one hundred percent (100%) for fifteen years (15 years);

WHEREAS, it has been requested that the Board waive the forty-five day notice period and the fourteen day notice period required pursuant to Sections 5709.63(C) and 5709.83(A), respectively, of the Ohio Revised Code prior to the County taking formal action to approve the Agreement; and

WHEREAS, the Board has agreed to approve the Agreement, waive the statutory notice periods, and cooperate fully to effectuate the Agreement and the enjoyment by the Company of the benefits of the Agreement.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD:

Section One:

The Board has received a copy of the Application and the proposed Agreement.

Section Two:

Pursuant to Section 5709.63(C) of the Ohio Revised Code, the Board hereby approves the Agreement, including but not limited to the terms of the Agreement that provide for real property tax exemption of one hundred percent (100%) for fifteen years (15 years).

Section Three:

Pursuant to Sections 5709.63(C) and 5709.83(A) of the Ohio Revised Code, the Board hereby waived the forty-five day and fourteen day notice periods provided therein and authorizes the County to approve and execute the Agreement as soon as practicable after the date of this Resolution.

Section Four:

The Board hereby agrees to cooperate fully effectuate the Agreement and the enjoyment by the Company of the benefits of the Agreement.

Section Five:

The Board hereby requests the approval and execution of the Agreement by the Board of Commissioners of Mercer County as soon as practicable after the Board of Commissioners of Mercer County receives a copy of the Resolution.

Section Six:

True and complete copies of this Resolution, together with attachments hereto, shall be certified to the County, the Township and by the Clerk of the Board as soon as practicable after the passage of this Resolution.

Section Seven:

It is hereby found and determined that all formal actions of the Board concerning and relating to the adoption of this Resolution were adopted in an open meeting of the Board and that all deliberations of the Board 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 Section 121.22 of the Ohio Revised Code.

seconded the motion and, the roll being called upon the question, the vote resulted as follows:

Motion passed and adopted this 16th day of May, 2016.

President, Board of Education

ATTEST:

Treasurer

Date

OHIO DEVELOPMENT SERVICES AGENCY
OHIO ENTERPRISE ZONE PROGRAM

PROPOSED AGREEMENT for Enterprise Zone Tax Incentives between the Jefferson Township located in the County of Mercer and Pax Machine Works, Inc. .

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

Pax Machine Works, Inc.
enterprise name

Michael J. Pax
contact person

(419) 586-2337
telephone number

5139 Monroe Road, Celina, OH 45822
address

1b. Project site:

Joe Hamberg
contact person

(419) 586-2337
telephone number

5139 Monroe Road, Celina, OH 45822
address

2a. Nature of business (manufacturing, distribution, wholesale or other).
Manufacturing

2b. List primary 6 digit NAICS # 336370.
Business may list other relevant SIC numbers. _____

2c. If a consolidation, what are the components of the consolidation? (must itemize the location, assets, and employment positions to be transferred)

Not applicable

2d. Form of business of enterprise (corporation, partnership, proprietorship, or other).

Subchapter S Corporation

3. Name of principal owner(s) or officers of the business (attach list if necessary).
President – Michael J. Pax, Secretary/Treasurer – Deborah K. Guingrich

4. Is business seasonal in nature? Yes___ No XX
- 5a. State the enterprise's current employment level at the proposed project site:
196 Full Time / 18 Part Time as of April 15, 2016

- 5b. Will the project involve the relocation of employment positions or assets from one Ohio location to another? Note that relocation projects are restricted in non-distress based Ohio Enterprise Zones. A waiver from the Director of the Ohio Department of Development is available for special limited circumstances. The business and local jurisdiction should contact ODOD early in the discussions.

Yes___ No XX
- 5c. 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:

Not applicable

- 5d. State the enterprise's current employment level in Ohio (itemized for full and part-time and permanent and temporary employees):
196 Full Time / 18 Part Time as of April 15, 2016

- 5e. State the enterprise's current employment level for each facility to be affected by the relocation of employment positions or assets: Not applicable
- 5f. What is the projected impact of the relocation, detailing the number and type of employees and/or assets to be relocated? Not applicable
- 6a. Has the Enterprise previously entered into an Enterprise Zone Agreement with the local legislative authorities at any site where the employment or assets will be relocated as a result of this proposal? Yes___ No XX
- 6b. If yes, list the local legislative authorities, date, and term of the incentives for each Enterprise Zone Agreement:
7. Does the Enterprise owe:
- a. Any delinquent taxes to the State of Ohio or a political subdivision of the state?
Yes___ No XX

- b. Any moneys to the State or a state agency for the administration or enforcement of any environmental laws of the State? Yes___ No XX
- 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 XX
- 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 if necessary).

 Not applicable

8. Project Description (attach additional pages if necessary):

Construction of a 108,000 sq ft building. This building will be used for manufacturing and warehouse.

9. Project will begin May 1, 2016 and be completed December 31, 2016 provided a tax exemption is provided.

10a. Estimate the number of new employees the business intends to hire at the facility that is the project site (job creation projection must be itemized by full and part-time and permanent and temporary): 5 Full Time Employees

10b. State the time frame of this projected hiring: 3 years

10c. State proposed schedule for hiring (itemize by full and part-time and permanent and temporary employees): _____

11a. Estimate the amount of annual payroll such new employees will add \$ 190,000 (new annual payroll must be itemized by full and part-time and permanent and temporary new employees). _____

11b. Indicate separately the amount of existing annual payroll relating to any job retention claim resulting from the project: \$ 0

- 12. Market value of the existing facility as determined for local property taxation.
\$ 4,699,920 (per the Mercer County Auditor's website)
- 13a. Business's total current investment in the facility as of the proposal's submission.
\$ 4,100,000
- 13b. State the businesses' value of on-site inventory required to be listed in the personal property tax return of the enterprise in the return for the tax year (stated in average \$ value per most recent 12 month period) in which the agreement is entered into (baseline inventory):
\$ Not applicable – Real Property Exemption only

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

	<u>Minimum</u>	<u>Maximum</u>
A. Acquisition of Buildings:	\$ -0-	\$ -0-
B. Additions/New Construction:	\$ 4,100,000	\$ 4,200,000
C. Improvements to existing buildings:	\$ -0-	\$ -0-
D. Machinery & Equipment:	\$ -0-	\$ -0-
E. Furniture & Fixtures:	\$ -0-	\$ -0-
F. Inventory:	\$ -0-	\$ -0-
Total New Project Investment:	\$ 4,100,000	\$ 4,200,000

15. a. Business requests the following tax exemption incentives: 100 % for 10 years covering real property only as described above. Be specific as to type of assets, rate, and term.

Real Property only at 100% for 10 years.

b. Business's reasons for requesting tax incentives (be quantitatively specific as possible)

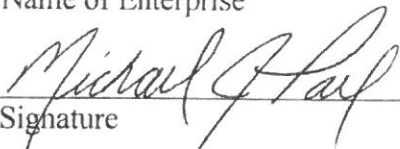
The tax incentives are being sought to help fund our local marketing and recruiting efforts.

We will also use the funds to help support area efforts to improve vocational and STEM focused curriculum for the area youth.

Submission of this application expressly authorizes Jefferson Township and/or Mercer County to contact the Ohio Environmental Protection Agency to confirm statements contained within this application including item #7 and to review applicable confidential records. As part of this application, the business may also be required to directly request from the Ohio Department of Taxation or complete a waiver form allowing the Ohio Department of Taxation to release specific tax records to the local jurisdictions considering the incentive request.

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 benefit as well as a fine of not more than \$1,000 and/or a term of imprisonment of not more than six months.

Pax Machine Works, Inc.	4/12/2016
Name of Enterprise	Date
	Michael J. Pax, President
Signature	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 Enterprise Zone Agreement as Exhibit A

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