

## **RECORD OF PROCEEDINGS**

### **MINUTES OF JACKSON TOWNSHIP TRUSTEES MEETING**

**APRIL 14, 2006**

Pizzino called the meeting to order at 6:02 p.m. at the Jackson Township Hall with all Trustees, Fiscal Officer and Fitzgerald present. He requested that all cell phones and pagers be turned off at this time.

The Pledge of Allegiance was recited.

Pizzino: We'll go right into General Business, Letter of Intent for tax abatement agreement with Graco, Inc. I'm going to turn it over to Mr. Gonzalez and Mr. Meeks.

Meeks: Randy and I sit on the Tax Incentive Review Council and looking at abatements as you well know, for the betterment of not just Jackson Township but Stark County as a whole. Graco is the parent company that acquired Liquid Control. They came to us and asked that we look at a possible tax abatement for an expansion that they are going to be doing at this facility here up at Port Jackson. We've had a few meetings, the latest one was just yesterday afternoon that we had with Stark Development Board, Jackson Local Schools, Randy, myself, Neal, Marilyn, and a representative from Graco were all present. All they're asking for at this time is a letter of intent that we would look at the possibility of offering a tax abatement. In doing so, just let me state some facts here to bring us all up to speed on Liquid Control and Graco.

In December 2004, Graco Inc. acquired the Liquid Control Corp. which, again, is located at the Port Jackson Industrial Park in Jackson Township. Graco is a world leader in fluid handling systems and fluid components meaning that they build high quality, high end paint sprayers. If you look at, for example, something that we all could relate to, if you look at the lettering that's done on the NFL fields, the paint at the Super Bowl and that on the fields, this is the equipment that they make to do that. Its corporate headquarters are located in Minneapolis, Minnesota and employs approximately 2,100 people worldwide. Liquid Control is a leading designer and manufacturer of highly engineered precision resin dispensing equipment. The Graco Company is considering expanding one of its facilities to be completed by the end of the year by adding 58,000 square feet of new office and manufacturing space at a cost of approximately \$4 to \$5 million. And that is, again, right up here at Port Jackson. They are creating only 30 new technology-related jobs at approximately \$70,000 per job with an annual payroll of \$2.1 million. It is very important that we ask if they're planning on using local contractors and they did say yes to build this building. The company is optimistic that the location will be large enough for the future expansion and more employees. You know, I'd rather that they commit on a low end and overachieve than over-commit and underachieve. So that's why they're staying with the 30 new jobs that they know they'll bring in the first year but they do have hopes of up over 90 employees, new additional employees at this location. The proposed property abatement agreement does not include Jackson Local School District millage and does provide for repayment if there is non performance which is a huge part of this. We wanted to make sure that

if we are moving forward on an abatement here that we make and keep Jackson Local Schools held harmless, meaning that we would not ask nor expect to take any of their millage from them. The proposed tax abatement agreement will satisfy the 14% local match requirement to obtain an approximately \$520,000 job tax credit. That is from the Ohio Department of Development, that's key. In order for the Ohio Department of Development to give a job tax credit of \$520,000 they need the local match of 14%. That's where we come in, we and the County. The real estate tax abatement necessary to satisfy the match requirement will be 50% each year for 6 years which will be approximately \$15,800 per year or a total of \$94,800 over 6 years. Now it's also important to understand and remember, this isn't monies that we presently are getting. This is talking about new monies that we would be abating. Ohio is being considered as one possible location, however, yesterday we did talk with their representative here, and they want to break ground May 1<sup>st</sup>. So they're moving forward, they have the plans, they're moving and they're committing to this location. Graco Company currently employs 83 people within Stark County.

So we're all very sensitive to tax abatements but when you do have a quality company that wants to remain or expand within our region I think it is up to us to look at what possibilities we possibly can provide and show them that we do want them here. However, I am not about giving up the farm. I have asked if we do go forward with a letter of intent for some conditions and one of those conditions I mentioned earlier and that was the claw-back clause. That and they agreed to this, that in lieu of their not meeting their minimal requirements they are going to be required through the claw-back clause to pay back any abated monies. So that means that then we would be made whole and, we hope that doesn't happen, because we feel that we all will be better off with Graco's new expansion in Jackson Township. The other thing is that through us meeting the 14% minimal requirement for the local match, I've also asked through Daryl Revoldt's office that we receive equal to or greater than compensation of our abated monies from the State to offset that cost for the road improvement here at Wales and Fulton and that letter also I'd like to draft and send to Daryl and just briefly conversing with him today I had Neal be in contact with Daryl and he was in agreement to that. Is that not right, Neal?

Fitzgerald: That's right.

Meeks: So with that, that pretty much brings us up unless you have something to say.

Gonzalez: Just a couple points. Again, the old agreement with Liquid Control has five years of abatement left on it, I believe. They are willing to go back and add the claw-back language into it also. They'd have to literally reopen that contract. The other thing I noticed, Steve got this and forgot to say it, was they also would become a member of the Chamber of Commerce and stay as a member as one of Steve's conditions.

Meeks: Yes.

Gonzalez: The other thing with the schools is we understand the plight that the schools are having with their funding issues. What Steve and I both stressed with them is we would like to see them work with us more with T.I.F.'s than they would with these tax abatements. The tax abatements we can understand, they're not getting a lot out of those where with a T.I.F., they could. For example, the Fulton and Wales improvements will be a huge benefit to improving

that intersection for the schools. They're going to have a lot of traffic going through Fulton and Wales. So through a T.I.F. we can work together at financing these types of improvements. We understand they have a funding problem, they understand we have the same problems so we are going to try to push more into where a T.I.F. can benefit them. If we could free up money at Wales and Fulton from a T.I.F., what's to keep us from moving and maybe doing more at Strausser because that is going to explode as we all know when the Shuffel off ramp comes. And that again would benefit the schools. We are stressing that with our negotiations with them also. That's all I have, Steve.

Pizzino: Does anyone have any questions? Mr. Burger.

Burger: Well, the only thing that comes to my mind is due to the time frame. This would have been a beautiful project to be initiated in the high tech area. They've been working on it for the last almost two years.

Meeks: Absolutely.

Gonzalez: It would have been a perfect fit.

Burger: But unfortunately it could never meet their time frame.

Gonzalez: You know I was really impressed with the presentation. They had Steve and I go over that then and that's a fabulous facility it really is and it is very high tech.

Meeks: Well and the jobs that they are bringing here are high tech jobs. It does go, like you said Bill, with our theme of the High Tech Corridor. They're just a little in front of us on this. But you're absolutely right, this is what we hope to attract more of.

Pizzino: I think I'd just like to say that Mr. Meeks and Mr. Gonzalez really did an excellent job, not only for the Township but also a great job for the school district in how you protected them. I'd really like to see that clause in there that if they don't meet that, there's nothing out of our pockets and know that they're going to pay it back. So it tells me that if they agree to that and they also agree to look at the first abatement that they're serious about staying in Jackson Township and that's the type of business we want to attract.

Meeks: Yes, absolutely.

#### **RESOLUTION 06-022, ATTACHED**

Meeks moved and Burger seconded a motion to adopt and authorize the placement of the Board's signatures upon the attached letter to Graco Inc., accept the attached application for tax exemption from Graco Inc. and further establish a hearing upon the application at our April 24, 2006 public meeting at 6:00 p.m. and we further authorize the Board President's execution of the attached letter to the Board of Education of the Jackson Local School District. **3-0 yes**

Pizzino: Is there any other business?

Gonzalez: One thing, John that Steve did touch on. Not only are we creating these jobs we did insist, very strongly, that they could use local people to build this. While the construction's taking place we're also creating some construction jobs for the people who are going to be building this \$4 or \$5 million building. And they said yes they are going to use all local people, as Steve said. But that was important to us, too, that they didn't hire somebody from out of Stark County to come in and build this building.

Meeks: Right. Which does happen.

Pizzino: I'm sure you could help them get in contact with the right people.

Gonzalez: They had it out to bid already.

Meeks: Yes, they mentioned a couple of companies. One other thing I do want to say, I appreciate you guys coming at the last minute. But I felt it was important that we do have a special meeting tonight so that Randy and I could bring you up to speed on this and I do appreciate it. Good Friday and the time that it is.

Pizzino: We appreciate you keeping us informed on this and again you guys did a lot of hard work and research to keep everybody happy, and keep business in the Jackson Township area and that's important. So if there is no other business, do we have a motion to adjourn?

Burger moved and Meeks seconded a motion to adjourn.

**3-0 yes**

---

**John Pizzino**

---

**Randy Gonzalez**