

ORDINANCE NO. 2021-002

AN ORDINANCE AUTHORIZING THE CITY MANAGER, OR HIS DESIGNEE, TO EXECUTE AN ENTERPRISE ZONE AGREEMENT WITH THE DAVEY TREE EXPERT COMPANY PROVIDING FOR A PROJECT AND REAL PROPERTY TAX EXEMPTION PURSUANT TO THE OHIO ENTERPRISE ZONE PROGRAM (EZ), AND DECLARING AN EMERGENCY.

WHEREAS, the General Assembly of the State of Ohio by the enactment of Ohio Revised Code Sections 5709.61 et seq. (the "Enterprise Zone" program) has authorized municipal corporations to designate Enterprise Zones within the State in order to provide incentives for new commercial development in such areas, by making available real property tax exemption for such projects; and

WHEREAS, pursuant to said Enterprise Zone program, City Council by Ordinance No.1993-74, passed October 6, 1993, requested that the Board of County Commissioners of Portage County, Ohio, designate the area described in said Ordinance as an Enterprise Zone under Ohio Revised Code Section 5709.61 et seq; and

WHEREAS, pursuant to said Enterprise Zone program, City Council by Ordinance 1993-75, requested that the Board of County Commissioners of Portage County, Ohio, delegate to the City the power and duty to negotiate and administer Enterprise Zone agreements consistently to further the overall planning objectives for the development of the designated Enterprise Zone area; and

WHEREAS, The Davey Tree Expert Company (the "Company") owns the property located at 1500 N. Mantua Street (the "Site") on which the Company conducts its business and the property is located within the boundary of the City designated Enterprise Zone area; and

WHEREAS, the Company has submitted an Enterprise Zone application requesting a real property tax exemption of 75% on the post construction assessed value of a proposed \$14 million new construction expansion project at the Site for a period of ten (10) years; and

WHEREAS, the Company shall create within a time period not exceeding thirty-six (36) months after completion of construction, thirty-five (35) new full-time jobs at the Site.

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Kent, Portage County, Ohio, that:

SECTION 1. That the City Manager, or his designee, is hereby authorized to execute an Enterprise Zone Agreement with The Davey Tree Expert Company for a real property tax exemption as is more fully outlined in the application and agreement marked as Exhibit "A", attached hereto and incorporated herein.

SECTION 2. That 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 of Section 121.22 of the Ohio Revised Code.

SECTION 3. That this Ordinance is hereby declared to be an emergency measure necessary

for the immediate preservation of the public peace, health, safety and welfare of the residents of this City, for which reason and other reasons manifest to this Council, this Ordinance is hereby declared to be an emergency measure and shall take effect and be in force immediately after passage.

PASSED: January 20, 2021
Date

J. F. Fiala
Jerry T. Fiala
Mayor and President of Council

EFFECTIVE: January 20, 2021
Date

ATTEST: Amy Wilkens
Amy Wilkens
Clerk of Council

I, AMY WILKENS, CLERK OF COUNCIL FOR THE CITY OF KENT, COUNTY OF PORTAGE, AND STATE OF OHIO, AND IN WHOSE CUSTODY THE ORIGINAL FILES AND RECORDS OF SAID COUNCIL ARE REQUIRED TO BE KEPT BY THE LAWS OF THE STATE OF OHIO, HEREBY CERTIFY THAT THE FOREGOING IS A TRUE AND EXACT COPY OF ORDINANCE No. 2021-002, ADOPTED BY THE COUNCIL OF THE CITY OF KENT ON January 20, 2021.

(SEAL)

Amy Wilkens
AMY WILKENS
CLERK OF COUNCIL
(SEAL)

ENTERPRISE ZONE AGREEMENT

BETWEEN

THE DAVEY TREE EXPERT COMPANY

AND

PORTAGE COUNTY, OHIO

AND

CITY OF KENT, OHIO



Portage County Commissioners' Resolution No.: _____, Approved: _____

Kent City Council Ordinance No.: 2021-002, Approved: January 20, 2021

Dated: January 21, 2021

OHIO ENTERPRISE ZONE AGREEMENT

REAL PROPERTY ONLY

THIS AGREEMENT made and entered into by and between the City of Kent, Portage County, Ohio, with its main offices located at 301 South Depeyster Street, Kent, Ohio 44240 (hereinafter referred to as the "City of Kent"), and Portage County, an Ohio County, with its main offices located at 449 S. Meridian Street, Ravenna, Ohio 44266 (hereinafter referred to as "Portage County"), and The Davey Tree Expert Company, with its main offices located at 1500 N. Mantua Street, Kent, Ohio 44240 (hereinafter referred to as "Davey Tree")

WITNESSETH;

WHEREAS, the City of Kent and Portage County have encouraged the development of real property and the acquisition of personal property located in the area designated as an Enterprise Zone; and

WHEREAS, Davey Tree is desirous of making improvements to its existing building and constructing a third wing addition onto its Corporate Headquarters building. The addition will consist of approximately 38,400 square feet, plus an approximately 14,000 square foot basement at 1500 N. Mantua Street, Kent, Ohio 44240. Davey Tree will have an investment amount of approximately \$14,000,000 (fourteen million dollars) for real property improvements. Davey Tree also plans to purchase new furniture and fixtures with an investment amount of approximately \$1,000,000 (one million dollars) to permit expansion of its services. The expansion project (hereinafter referred to as the "PROJECT") is within the boundaries of the aforementioned Enterprise Zone, provided that the appropriate development incentives are available to support the economic viability of said PROJECT; and

WHEREAS, the Council of the City of Kent, Ohio by Ordinance No. 1992-55 adopted August 19, 1992; as amended by Ordinance No. 1993-75 adopted October 6, 1993; as amended by Ordinance No. 1997-73, adopted November 5, 1997; as amended by Ordinance No. 1998-45, adopted June 10, 1998; and as amended by Ordinance No. 2011-36, adopted May 18, 2011. The

Board of Commissioners of Portage County by Resolution #92-471 adopted September 24, 1992 and amended by Resolution No. 93-507 adopted October 14, 1993, designated the area as an "Enterprise Zone" pursuant to Chapter 5709 of the Ohio Revised Code; and

WHEREAS, effective November 2, 1992 and amended October 25, 1993, the Director of Development of the State of Ohio determined that the aforementioned area designated in said Ordinance No. 1993-75 contains the characteristics set forth in Section 5709.61(A) of the Ohio Revised Code and certified said area as an Enterprise Zone under said Chapter 5709; and

WHEREAS, the City of Kent and Portage County having the appropriate authority for the stated type of project are desirous of providing **Davey Tree** with incentives available for the development of the PROJECT in said Enterprise Zone under Chapter 5709 of the Ohio Revised Code; and

WHEREAS, **Davey Tree** submitted a proposed agreement application (attached as Exhibit A) to the City of Kent, said application (hereinafter referred to as "Application"); and

WHEREAS, **Davey Tree** has remitted the required state application fee of \$750.00 made payable to the Ohio Development Services Agency with the application to be forwarded with the final agreement; and

WHEREAS, the City Manager of the City of Kent has investigated the application of **Davey Tree** and has recommended the same to the Council of the City of Kent and the Board of Commissioners of Portage County on the basis that **Davey Tree** is qualified by financial responsibility and business experience to create and preserve employment opportunities in said Enterprise Zone and improve the economic climate of the City of Kent and Portage County; and

WHEREAS, the project site as proposed by **Davey Tree** is located in the Kent City School District, and the Board of Education of the Kent City School District has been notified in accordance with Section 5709.83 and been given a copy of the Application; and

WHEREAS, pursuant to Section 5709.62(C), 5709.63(A) or 5709.632 of the Ohio Revised Code and in conformance with the format required under Section 5709.631 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:

SECTION 1. LOCATION OF FACILITY

Davey Tree plans to make improvements to the property located at 1500 N. Mantua St, Kent, Ohio 44240, and construct a third wing addition onto its Corporate Headquarters building. Said facility is located on Permanent Parcel Number 17-042-00-00-002-000 and 17-043-00-00-013-000 as the same is known and designated on the Auditor's revised list of lots in the 1st ward of the City of Kent, Ohio. In addition, Davey Tree plans to purchase and install approximately \$1,000,000 (one million dollars) of new furniture and fixtures.

The PROJECT will involve a total real property investment by Davey Tree of approximately \$14,000,000 (fourteen million dollars) for the improvements and new construction on N. Mantua Street in the City of Kent.

The PROJECT will involve a total personal property investment by Davey Tree of approximately \$1,000,000 (one million dollars), for the purchase of new furniture and fixtures at 1500 N. Mantua Street, Kent, Ohio which is not eligible for tax exemption.

<u>Real Property Investment</u>	<u>Minimum Amount</u>	<u>Project Amount</u>	<u>Maximum Amount</u>
Additions/New Construction	\$12,000,000	\$13,000,000	\$14,000,000
<u>Improvements to existing facility</u>	<u>\$ 1,000,000</u>	<u>\$ 1,000,000</u>	<u>\$ 1,000,000</u>
Total Real Property Investment	<u>\$13,000,000</u>	<u>\$14,000,000</u>	<u>\$15,000,000</u>

<u>Personal Prop. Investment</u>	<u>Minimum Amount</u>	<u>Project Amount</u>	<u>Maximum Amount</u>
Furniture and Fixtures	<u>\$ 900,000</u>	<u>\$ 1,000,000</u>	<u>\$ 1,100,000</u>
Total Personal Property	<u>\$ 900,000</u>	<u>\$ 1,000,000</u>	<u>\$ 1,100,000</u>

The PROJECT will begin approximately March 2021 and all acquisition, construction and installation will be completed by approximately March 2023. Any changes to the beginning and completion dates must be agreed to by formal resolution and an amended agreement.

SECTION 2. EMPLOYMENT

Davey Tree shall create within a time period not exceeding 36 months after the construction of the aforesaid facility, the equivalent of 35 new full-time permanent job opportunities, 0 new part-time permanent job opportunities, 0 full-time temporary job opportunities and 0 part-time temporary job opportunities. Davey Tree shall retain its 410 existing full-time permanent jobs it currently has at its City of Kent sites.

Davey Tree’s schedule for hire is as follows:

	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>	<u>Total</u>
Full-Time Perm:	<u>11</u>	<u>12</u>	<u>12</u>	<u>35</u>

The job creation period begins approximately March 1, 2023 and all jobs will be in place by approximately February 28, 2026.

Davey Tree currently has 190 full-time permanent employees, 0 part-time permanent employees, 0 full-time temporary employees, and 0 part-time temporary employees at the PROJECT site location. Once the PROJECT is completed, Davey Tree will transfer 45 existing full-time employees from other sites in the City of Kent bringing the full-time employee total at the PROJECT site to 235. In total, Davey Tree has 1,030 full-time permanent employees, 29 part-time permanent employees, 44 full-time temporary employees and 0 part-time temporary employees in the State of Ohio.

The increase in the number of new employees will result in approximately \$1,786,000 (one million seven hundred eighty six thousand dollars) of additional annual payroll for Davey Tree by the end of the third year at the PROJECT site location. The retention of the existing and transferred in employees will maintain the current annual payroll for full-time permanent employees of \$20,000,000 (twenty million dollars) at the PROJECT site location.

Davey Tree agrees that all jobs attributed to this project will pay earnings tax to the City at the rate in effect throughout the life of this agreement beginning with the 2.25% rate in effect as of the date of this agreement.

The City of Kent has developed a policy to ensure recipients of Enterprise Zone tax benefits practice non-discriminating hiring in its operations. By executing this agreement, Davey Tree 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, ancestry, familial status, military status, sexual orientation, or gender identity.

Davey Tree shall endeavor to give preference to the residents of the City of Kent and Portage County when hiring new employees under the agreement.

SECTION 3. COOPERATION AND COMPLIANCE BY DAVEY TREE

This agreement shall be monitored annually by the appropriate Tax Incentive Review Council. DAVEY TREE SHALL PROVIDE TO THE PROPER TAX INCENTIVE REVIEW COUNCIL ANY INFORMATION REASONABLY REQUIRED BY THE COUNCIL TO EVALUATE THE ENTERPRISE'S COMPLIANCE WITH THE AGREEMENT, INCLUDING RETURNS FILED PURSUANT TO SECTION 5711.02 AND 5727.08 OF THE OHIO REVISED CODE IF REQUESTED BY THE COUNCIL.

Specifically, Davey Tree shall provide the Portage County Auditor with copies of the tax forms related to the exemptions (the DTE 24) for real property that is filed upon execution of the agreement) to obtain the exemptions granted per this agreement, throughout the term this agreement is in effect. Davey Tree agrees to provide Portage County with copies of this form. Davey Tree, by executing this agreement, agrees to provide any necessary payroll information consolidated by each Davey Tree facility in the City of Kent to document employment to the City of Kent and to Portage County and hereby authorizes both entities to release payroll information to the proper school City authorities, if appropriate, to the extent required under Section 5709.68 of the Ohio Revised Code.

By signing this agreement, **Davey Tree** is indicating, to the best of its knowledge, its compliance with all applicable local, state, and federal environmental laws related to its industry, or the active pursuit of compliance with any pending violations, documentation of which is attached to this agreement, if applicable. DAVEY TREE agrees to remain substantially in compliance with these laws throughout the term of this agreement.

Davey Tree acknowledges that an enterprise zone application and agreement are public information and are, therefore, subject to review by any entity requesting information related to the enterprise zone program.

Davey Tree expressly authorizes the City of Kent and/or Portage County to contact the Ohio Environmental Protection Agency to confirm statements contained within this agreement and to review applicable confidential records. 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.

SECTION 4. TAX INCENTIVES

The City of Kent and Portage County hereby grant **Davey Tree** a tax exemption for eligible Real Property improvements made to the PROJECT site pursuant to Section 5709.6(C), 5709.63(A) or 5709.632 of the Ohio Revised Code and shall be in the following amounts:

<u>Property to be Exempted</u>	<u>Estimated Costs</u>
New Construction	\$13,000,000
Improvements to the Existing Building	\$ 1,000,000
<u>Year of Tax Exemption</u>	<u>Tax Exemption Amount</u>
YR 1	75%
YR 2	75%

YR 3	75%
YR 4	75%
YR 5	75%
YR 6	75%
YR 7	75%
YR 8	75%
YR 9	75%
YR 10	75%

Each identified project improvement will receive a **ten (10) year** exemption period. The exemption commences the first year for which the Real Property would first be taxable were that property not exempted from taxation. No exemption shall commence after **December 31, 2023** nor extend beyond **December 31, 2032**. Thereafter, these tax exemptions shall cease to exist.

Davey Tree shall, during the exemption period and thereafter, continue to pay the taxes due on the existing real estate tax billing for the Project site and all other applicable taxes.

SECTION 5. ANNUAL FEE

Davey Tree shall pay an annual fee of \$500.00 (five hundred dollars). The fee shall be made payable to the **Portage Development Board** once per year for each year the agreement remains in effect or is to be reviewed. The fee is to be paid by check and made payable to the **Portage Development Board**. 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 5709.68 of the Revised Code and by the Tax Incentive Review Council created under section 5709.85 of the Revised Code exclusively for the purposes of performing the duties prescribed under that section.

SECTION 6. TAX REQUIREMENTS

Davey Tree shall pay such real 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 **Davey Tree** 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.

Davey Tree hereby certifies, to the best of its knowledge, that at the time this agreement is executed, **Davey Tree** does not owe any delinquent real property taxes owed to any taxing authority of the State of Ohio, and does not owe delinquent taxes for which **Davey Tree** is liable under Chapter 5733., 5735., 5739., 5741., 5743., 5747., or 5753. of the Ohio Revised Code, or if such delinquent taxes are owed, **Davey Tree** currently is 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 **Davey Tree**. 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.

Davey Tree affirmatively covenants, to the best of its knowledge, that they do 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.

SECTION 7. MAINTENANCE OF TAX INCENTIVES

The City of Kent 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.

SECTION 8. REVOCATION

If for any reason the Enterprise Zone designation expires, the Director of the Ohio Development Services Agency revokes certification of the zone, or the City of Kent or Portage County revokes the designation of the zone, entitlements granted under this agreement shall continue for the number of years specified under this agreement, unless **Davey Tree** materially fails to fulfill its obligations under this agreement and or the Compensation Agreement (if applicable), and the City of Kent or Portage County terminates or modifies the exemptions from taxation granted under this agreement.

If **Davey Tree** materially fails to fulfill its obligations under this Enterprise Zone Agreement or the Compensation Agreement (if applicable), other than with respect to the number of employee positions estimated to be created or retained under this agreement, or if the City of Kent or Portage County determines that the certification as to delinquent taxes required by this agreement is fraudulent, the City of Kent or Portage County may terminate or modify the exemptions from taxation granted under this agreement.

The City is hereby authorized to secure repayment of such taxes by a lien on the exempted property in the amount required to be repaid. Such a lien on the exempted property shall attach, and may be perfected, collected and enforced, in the same manner as a mortgage lien on real property, and shall otherwise have the same force and effect as a mortgage lien on real property. Notwithstanding O.R.C. Section 5719.01, such a lien on exempted tangible personal property shall attach, and may be perfected, collected and enforced, in the same manner as a security interest in goods under O.R.C. Chapter 1309 and shall otherwise have the same force and effect as such a security interest.

In any three-year period during which this agreement is in effect, if the actual number of employee positions created or retained by **Davey Tree** is not equal to or greater than seventy-five percent of the number of employee positions estimated to be created or retained under this

agreement during that three-year period, **Davey Tree** shall repay the amount of taxes on property that would have been payable had the property not been exempted from taxation under this agreement during that three-year period. In addition, the City of Kent and/or Portage County may terminate or modify the exemptions from taxation granted under this agreement.

Exemptions from taxation granted under this agreement shall be revoked if it is determined that **Davey Tree**, any successor enterprise, or any related member (as those terms are defined in Section 5709.61 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, 5709.63, or 5709.632 of the Ohio Revised Code prior to the time prescribed by that division or either of those sections.

Additionally, and not to be construed as being in conjunction with the other provisions under this subparagraph, if for any year during the term of this agreement **Davey Tree** materially fails to fulfill the employment and investment requirements set forth herein, the City of Kent and/or Portage County shall have the right to modify the tax exemption set forth in Section #4. If **Davey Tree** ceases to operate at this location prior to the expiration of this agreement, the City of Kent and/or Portage County shall have the right to terminate this agreement and demand payment and repayment of all taxes exempted pursuant to this agreement.

SECTION 9. LOCAL LEGISLATIVE ACTION

Davey Tree, the City of Kent and Portage County acknowledge that this agreement must be approved by formal action of the legislative authority of Kent City Council and the Portage County Board of Commissioners as a condition for the agreement to take effect. This agreement takes effect upon such approval.

SECTION 10. CLAWBACK PROVISION

In the event that **Davey Tree** fails to meet and /or maintain the required number of employees and/or payroll during any tax year, **Davey Tree** will be required to provide the City a refund of the income tax revenue sharing required amount paid by the City of Kent to

Kent City School, in accordance with Ohio Revised Code Section 5709.82(C)(2), for that given tax year. City Council must approve any clawback initiated by this Section.

SECTION 11. NOTICES

Any notice or consent required to be given by or on behalf of any party to the other shall be deemed given when mailed by registered or certified mail, return receipt requested, addressed to the appropriate party at the address herein specified below, or at such other address as any party may specify, from time to time, by notice to the other in the manner herein set forth.

To Davey Tree:

Molly Senter
Property Director
Davey Tree Expert Co.
1500 N. Mantua Street
Kent, OH 44240

To the City of Kent:

Dave Ruller
City Manager
City of Kent
301 S. Depeyster Street
Kent, OH 44240

To Portage County:

County Commissioners
County of Portage
449 S. Meridian Street
Ravenna, OH 44266

And:

Hope L. Jones
Law Director
City of Kent
320 S. Depeyster Street
Kent, OH 44240

SECTION 12. ASSIGNMENT AND TRANSFER

This agreement is not transferable or assignable without the express written approval of the Kent City Council and the Portage County Board of Commissioners.

SECTION 13. FALSIFICATION

Davey Tree affirmatively covenants, to the best of its knowledge, that they have made no false statements to the State or local political subdivision in the process of obtaining approval for the Enterprise Zone incentives. If any representative of **Davey Tree** has knowingly made a false statement to the State or local political subdivision to obtain the Enterprise Zone incentives, **Davey Tree** shall be required to immediately return all benefits received under the

Enterprise Zone Agreement pursuant to 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 2921.31(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.

[THIS SPACE HAS BEEN INTENTIONALLY LEFT BLANK.]

IN WITNESS WHEREOF, the **City of Kent**, by its City Manager David Ruller and pursuant to Ordinance No. 2021-002, has caused this instrument to be executed this 20 day of January, 2021 and by the **Portage County Board of Commissioners**, and pursuant to Resolution No. 21-, has caused this instrument to be executed this ____ day of _____, 2020, and by **The Davey Tree Expert Company** by _____ its _____ has caused this instrument to be executed this ____ day of _____, 2021.

THE CITY OF KENT

By [Signature] 1/21/21
City Manager Date

PORTAGE COUNTY
BOARD OF COMMISSIONERS

By _____
Commissioner Date

DAVEY TREE EXPERT COMPANY

By Patrick M. Covey 1/21/21
Signature Date
Patrick M. Covey
Chairman, President and CEO
Printed name and title

By _____
Commissioner Date

By _____
Commissioner Date

Approved as to Form:

[Signature]
City of Kent Law Director

Approved as to Form:

Portage County Prosecutor's Office

Note: In a multiparty agreement, each party's obligation and benefits should be clearly stated. In addition, all parties to receive a tax benefit should be a signatory party to the agreement.

NOTE:

A copy of this agreement must be forwarded to the Ohio Departments of Taxation and the Ohio Development Services Agency within fifteen (15) days of approval to be finalized.

Revised June 2004 ODOD
Revised July 2004 PCOED

Ohio Development Services Agency

Mike DeWine
Governor

Lydia Mihalik
Director

OHIO DEVELOPMENT SERVICES AGENCY OHIO ENTERPRISE ZONE PROGRAM

The project can't begin until the community and the county approve the agreement.

PROPOSED AGREEMENT for Enterprise Zone Tax Incentives between the City of Kent located in the County of Portage, Portage County, and The Davey Tree Expert Company and _____
(Name of Enterprise)

(This completed application is to be submitted to the Community)

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

Real Property Owner

The Davey Tree Expert Company
enterprise name
1500 N. Mantua Street
address
Kent OH 44240
city/state/zip
Molly Senter
contact person
(330) 673-9511
phone number

Operating Company

Same as Owner
enterprise name

address

city/state/zip

contact person

phone number

- 1b. Project site:
The Davey Tree Expert Company

1500 N. Mantua Street/Kent/OH
address

Molly Senter
contact person
(330) 673-9515 ext. 8231
telephone number

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

Service provider - Provider of diversified horticultural services, tree work, consulting, etc.

2b. List primary 6 digit NAICS # 561730.

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)

N/A _____

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

Corporation _____

3. Name of principal owner(s) or officers of the business (attach list if necessary).
See attached officer listing. _____

4. Is business seasonal in nature? Yes _____ No X (not in the Kent locations)

5a. State the enterprise's current employment level at the proposed project site:

267 _____

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 X

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:

N/A _____

5d. State the enterprise's current employment level in Ohio (itemized for full and part-time and permanent and temporary employees):
Total 1,103 1,030 full-time 29 part-time 44 temporary

5e. State the enterprise's current employment level for each facility to be affected by the relocation of employment positions or assets:
N/A _____

5f. What is the projected impact of the relocation, detailing the number and type of employees and/or assets to be relocated?
N/A _____

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 X

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 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 if necessary).

N/A _____

8. Project Description and Parcel number: (attach additional pages if necessary): _____

Construct a 3rd Wing Addition onto the Corporate Headquarters building, consisting of approximately 38,400 SF, plus approximately 14,000 SF basement.

Portage County Tax Parcels: 17-042-00-00-002-000 and 17-043-00-00-013-000

9. Project will begin (estimated) March 2021 and be completed (estimated) April 2023 provided a tax exemption is provided. ODSA recommends a 3-year time frame.

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): 35

10b. State the time frame of this projected hiring: 3 yrs. – following construction completion. The Ohio Development Services Agency recommends a 3 year job creation period.

10c. The job creation period will begin approximately May 1, 2023 and be completed by April 30, 2026.

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

	Year 1	Year 2	Year 3	Other
New Full-Time Perm.	<u>11</u>	<u>12</u>	<u>12</u>	<u> </u>
New Full-Time Temp.	<u> </u>	<u> </u>	<u> </u>	<u> </u>
New Part-Time Perm.	<u> </u>	<u> </u>	<u> </u>	<u> </u>
New Part-Time Temp.	<u> </u>	<u> </u>	<u> </u>	<u> </u>

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

	Year 1	Year 2	Year 3	Other
New Full-Time Perm.	<u>\$550,000</u>	<u>\$612,000</u>	<u>\$624,000</u>	<u>\$ </u>

New Full-Time Temp.	\$ _____	\$ _____	\$ _____	\$ _____
New Part-Time Perm.	\$ _____	\$ _____	\$ _____	\$ _____
New Part-Time Temp.	\$ _____	\$ _____	\$ _____	\$ _____

11b. Indicate separately the amount of existing annual payroll relating to any job retention claim resulting from the project: Full-Time: \$20,000,000_ Part-Time: \$ _____.

12. Market value of the existing facility as determined for local property taxation.
\$4,554,200

13a. Business's total current investment in the facility as of the proposal's submission.
\$8,600,000 _____

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): \$ 0 _____

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

<u>Real Property Investment</u>	<u>Minimum Amount</u>	<u>Project Amount</u>	<u>Maximum Amount</u>
*A. Land:	\$ _____	\$ _____	\$ _____
*B. Acquisition of Buildings:	\$ _____	\$ _____	\$ _____
C. Additions/New Construction:	\$ _____	\$13,000,000	\$ _____
D. Improvements to existing building:	\$ _____	\$ 1,000,000	\$ _____
Total Real Property Investment:	\$ _____	\$14,000,000	\$ _____

***Note: Land and acquisition of building investments are not eligible for tax abatement.**

You may list the personal property amount to show the community the total amount of the project, however Personal Property is no longer taxable in Ohio.

<u>Personal Property Investment</u>	<u>Minimum Amount</u>	<u>Project Amount</u>	<u>Maximum Amount</u>
E. Machinery & Equipment:	\$ _____	\$ _____	\$ _____
F. Furniture & Fixtures:	\$ _____	\$ 1,000,000	\$ _____
G. Inventory:	\$ _____	\$ _____	\$ _____
Total Personal Property Investment:	\$ _____	\$ 1,000,000	\$ _____

Project Eligibility Determination:

The total investment of an EXPANSION project must be greater than 10% of the market value of the facility assets already owned at the site prior to such expenditures.

RENOVATION projects must exceed 50% and OCCUPYING a vacant facility must exceed 20%. Projects establishing a new facility must represent a "significant" new investment.

15a. Business requests the following tax exemption incentives: 75 % for 10 years covering real property N/A and/or personal property including inventory N/A as described above. Be specific as to type of assets, rate, and term.

15b. Business's reasons for requesting tax incentives (be quantitatively specific as possible)

- Reduce the tax burden for Davey to assist with the significant investment we plan to make in Kent by building the Corporate 3rd Wing Addition which will result in the hiring of additional employees.
 - To support our commitment to remain in Portage County, to allow Davey to continue to be a good partner to the schools, city and county governments.
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Pease read the following carefully and fill in the name of the Enterprise:

16. The Davey Tree Expert Company shall submit the required state application fee of **\$750.00** made payable to the **Ohio Development Services Agency** with the application to be forwarded with the final agreement.
17. The Davey Tree Expert Company shall pay an **annual fee of \$500.00**. The fee is to be paid to **Portage Development Board** once per year for each year the agreement is in effect or required to be reviewed. The fee is to be paid by check and made out to the **Portage Development Board**. Invoices will be mailed out by Portage County once per year following the annual monitoring which concludes March 31st. The fee shall be used exclusively for the purpose of complying with section 5709.68 of the Ohio Revised Code and by the Tax Incentive Review council created under section 5709.85 of the revised code exclusively for the purpose of performing the duties prescribed under that section.
18. Submission of this application expressly authorizes the **City of Kent** and **Portage 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.

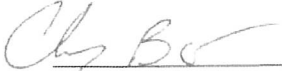
Real Property Owner

Operating Company

The Davey Tree Expert Company

Same as Owner

Name of Enterprise



December 9, 2020

Signature

Date

Signature

Date

Christopher J. Bast | Vice President and Treasurer

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. For agreements over the 75% for 10 years the affected Board of Education must be give a notice of forty-five (45) business days prior to the scheduled meeting.

** 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.

ODSA Update: February 2004
Portage County Update: July, 2019