

## ECONOMIC DEVELOPMENT GRANT AWARD

### AGREEMENT

This agreement is made and entered into by and between the City of Parma, Ohio, a municipality with its main offices located at 6611 Ridge Road, Parma, Ohio 44129 (hereinafter referred to as the "City") and Pitt Ohio Express, LLC (herein referred to as the "Enterprise") and a project site at Chevrolet Blvd., Parma, Ohio.

### WITNESSETH

Whereas, the City of Parma is desirous of expanding available job opportunities within the City for its residents by encouraging new business to locate within the City and those businesses presently located here to expand within the City, and

Whereas, both of the above actions not only increase the job opportunities available but has an additional benefit of increasing the payroll tax proceeds received by the City, thereby lessening the tax burden on Parma homeowners for operating funds required by the City, and

Whereas, the Council of the City of Parma, by adoption of Ordinance 56-01 and Ordinance 95-07, authorized the Economic Development Grant Program as a means of providing incentives to enterprises meeting the program criteria to locate or expand within the City, and

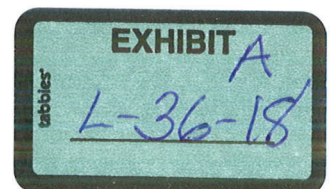
Whereas, Pitt Ohio Express, LLC, presently located at various locations in Cuyahoga County, Ohio is seeking to locate and expand its operations into Parma, Ohio and has submitted an application for a Grant under the Economic Development Grant Award Program, and

Whereas, the Economic Development Review Board has reviewed the Grant Application and determined the eligibility of the Project by Pitt Ohio Express, LLC, and the amount and conditions for an award.

NOW, THEREFORE, in consideration of the mutual covenants hereinafter contained and the benefits to be derived by the parties from the execution hereof, the parties herein agree as follows:

#### 1. The Project

The Enterprise agrees to undertake the Project, as submitted, and retain and expand its operations in Parma, Ohio. Total annual payroll at the Project Site must remain above \$6,800,000 to remain eligible for the Grant Award during the term of the agreement. Failure to do so will result in the loss of the Grant Award during the Grant Period (as defined in Section 2B) of non-compliance.



**2. Grant Award**

In accordance with the provisions of the Economic Development Program of the City of Parma, the Economic Development Review Board hereby awards the following Grant Award to Pitt Ohio Express, LLC:

**A. Payroll Tax Rebate Grant**

<b>Payroll</b>	<b>% Rebate</b>	<b>Lowest Annual Rebate</b>	<b>Term/Yrs.</b>
Below \$6,800,000	0%	N/A	N/A
>\$6,800,001	50	\$85,000	15

This Grant Award is associated with the Enterprise's total payroll tax paid to the City of Parma.

\*Term of award begins with date of initial location of jobs with maximum length of 15 years from that date.

**B. Period of Grant**

Real Property taxes are tabulated in Cuyahoga County for two six month periods (Jan. 1 through June 30 and July 1 through Dec. 31) annually. This Grant Award is being made to the Enterprise for a maximum thirty (30) consecutive periods of Real Property Taxes. The first period for which this Grant is applicable shall be for the Real Property taxes associated with the period of January 1, 2020 through June 30, 2020 and extend for a maximum of twenty-nine (29) tax periods thereafter, for a total of thirty (30) periods.

**C. Amount of Grant**

The specific dollar amount of the Grant for any of the taxing periods is dependent upon the Grantee's total payroll for that period and the corresponding amount of payroll tax receipts received by the City of Parma Department of Tax from the Enterprise for the employees at the Project site, for the exact same inclusive dates as the specific tax period. The City of Parma hereby agrees to share with the Enterprise a percentage of the payroll tax receipts as defined in 2A of this Agreement for the Project for the specific period.

**3. Payment of Taxes and Filing Reports and Returns**

Real Property taxes must remain current on the subject site in order for the payroll tax rebate to apply to the corresponding Real Property tax period.

#### **4. Information for the Economic Review Board**

If the Enterprise fails to provide the City of Parma copies of all documents requested for the computation of the Grant Award by the date specified, or to any request by the Economic Development Review Board to verify compliance with conditions and terms of this Agreement, the Economic Development Review Board may, at its own discretion, withhold or cancel the Grant Award for the specific tax period under review.

#### **5. Maintenance of Grant Award**

If for any reason the Council of the City of Parma revokes the Economic Development Grant Program, the Grant provided under this Agreement shall continue in the amount and for the periods specified under this Agreement unless the Enterprise shall materially fail to fulfill its obligations under this Agreement and the Economic Development Review Board terminates or modifies the Award granted under this Agreement.

#### **6. Certification as to Payment of Taxes**

The Enterprise hereby certifies that at the time this Agreement is executed, the Enterprise does not owe any delinquent Real Property, Tangible Personal or Commercial Activity taxes to any taxing authority or the State of Ohio and does not owe delinquent taxes for which the Enterprise is liable under Chapter 5733, 5735, 5739, 5741, 5743, 5747 or 5753 of the Ohio Revised Code, or if such delinquent taxes pursuant to an undertaking enforceable by the State of Ohio or an agent instrumentally thereof, has filed a petition in bankruptcy under 11 U.S.C.A. 101, et seq., or Such petition has been filed against the Enterprise. For purposes of this 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.

The Enterprise further certifies that at the time this Agreement is executed it is not delinquent in any payroll taxes owed to the City of Parma, the City of Euclid and/or the City of Cleveland for any of its employees.

#### **7. Non-Discrimination in Hiring**

The City of Parma has developed a policy to ensure that recipients of Economic Development Grants practice non-discrimination hiring in its operations. By executing this Agreement, the Enterprise is committing to follow non-discriminating hiring practices and acknowledging that no individual may be denied employment on the basis of race, religion, sex, disability, color, familial status, national origin or ancestry.

#### **8. Corporate Citizenship**

The Enterprise recognizes the importance of being a good corporate citizen in Parma and agrees to abide by the following provisions:

- A. The Enterprise, to the extent reasonable and possible, shall show preference to the residents of the City of Parma when hiring new employees. It shall be the goal of the Enterprise that at least 50% of the new employees hired during the period of this Agreement be residents of the City of Parma to the extent that the job applicant pool reflects active participation by such residents.
- B. The Enterprise shall maintain a membership in the Parma Area Chamber of Commerce.

**9. Termination or Modifications of Grant Award**

- A. If the Enterprise fails to cure any breach of any material terms of this Agreement within sixty (60) days of receiving written notice of default from the Economic Development Review Board (if cure of the breach cannot be completed within sixty (60) days but the Enterprise has made a good faith effort to comply, this paragraph shall not apply so long as the Enterprise continues to diligently cure the breach within a reasonable time acceptable to the Economic Development Review Board), the Economic Development Review Board may terminate or modify this Agreement and deny or modify the Grant Award heretofore granted from the date of the Enterprise's breach or default; provided that nothing contained herein shall permit the Economic Development Review Board to recapture or otherwise deny the Enterprise the benefit of any Grant Award paid with respect to any period prior to the date of notice of such termination or modification by the Economic Development Review Board.
- B. The Economic Development Grant Award is automatically cancelled on the date that the Enterprise closes the facility at the Project Site. Even if the grant period extends beyond that date, no further payments will be made from the City of Parma to the Enterprise as part of this Award.
- C. The Enterprise or successor entity shall promptly notify the Economic Development Review Board if any of the following events occur:
  - 1. If the Enterprise is sold to or acquired by another owner or group of owners;
  - 2. If the Enterprise merges with another entity;
  - 3. If the Enterprise substantially restructures itself through an acquisition or divestiture or otherwise irrespective of whether these events affects the ability of the Enterprise or its successor entity to perform substantially the obligations of the Enterprise under this Agreement and to develop the payroll tax revenues anticipated herein. The notice shall describe the changed conditions and what the Enterprise projects its performance and anticipated payroll tax payments to the City will be for the balance of the Award period. The Economic Development Review Board may, after review of this information, modify the Grant Award or may terminate same. "Control of the Enterprise" for purposes of this subsection means that persons and/or entities owning a majority of the Enterprise's outstanding voting stock at the date of this Agreement cease to own such voting stock or cease to have the unconditional right to elect a majority of the Enterprise's Board of Directors.
  - 4. Notice of termination or modification shall be given by the City to the Enterprise ten (10) days prior to the effective date of said termination or modification.

5. Each provision for modification or termination hereunder shall not affect the City's rights or the Enterprise's obligations under other provisions of this Agreement.
6. Notwithstanding any other provision of the Agreement, all Grant Award payments shall terminate on the date of cessation of the Enterprise's operations at the Project Site.

**10. Transfer and Assignment**

This Agreement is not transferable or assignable without the express written approval of the Economic Development Review Board. The Economic Development Review Board acknowledges that it would be unreasonable to withhold such consent in the event of a proposed transfer or assignment by the Enterprise to any parent, subsidiary or affiliate of the Enterprise or to any third party with respect to any transfers or assignments provided the proposed transferee or assignee adequately and sufficiently demonstrates to the Economic Development Review Board's reasonable satisfaction, its financial ability and intentions to continue its operations of the facility and Project in a manner similar to that of the Enterprise in all pertinent respects.

**11. Hold Harmless**

The Enterprise agrees to hold the City of Parma and its Economic Development Review Board harmless from any and all liability, which may arise if this Agreement cannot be affected for reasons outside of the City of Parma's control.

**13. Notices, Statements, etc.**

Any notices, statements, acknowledgements, consent approvals, certificates or requests required to be given on behalf of either property shall be made in writing and addressed as follows:

If to the Economic Development Review Board:

City of Parma

6611 Ridge Road

Parma, OH 44129

Attn: Chairman, Economic Development Review Board

With a copy to:

City of Parma

6611 Ridge Road

Parma, OH 44129

Attn: Law Director

If to the Enterprise:  
Pitt Ohio Express, LLC  
15 27<sup>th</sup> St.  
Pittsburgh, PA 15222  
ATTN: James P Fields, COO

**14. Entire Agreement**

This Agreement constitutes the entire understanding between both parties. Any prior understandings, whether written and/or verbal, shall be considered as void and of no legal effect. This Agreement may only be changed and/or modified if the change and/or modification is in a written document which is signed by both parties.

IN WITNESS WHEREOF, the City of Parma, Ohio and the Economic Development Review Board by Timothy J. DeGeeter, Mayor and Chairperson of the Board and pursuant to Ordinance 56-01 has caused this instrument to be executed this \_\_\_\_ day of \_\_\_\_\_, 2018 and Pitt Ohio Express, LLC by

(Name) \_\_\_\_\_ its (Title) \_\_\_\_\_

**CITY OF PARMA**

Witnessed by:

\_\_\_\_\_

\_\_\_\_\_

By: \_\_\_\_\_

Mayor

**ECONOMIC DEVELOPMENT REVIEW BOARD**

\_\_\_\_\_

\_\_\_\_\_

By: \_\_\_\_\_

Chairperson

**PITT OHIO EXPRESS, LLC**

Witnessed by:

\_\_\_\_\_

\_\_\_\_\_

By: \_\_\_\_\_

\_\_\_\_\_

Title

Approved as to form:

\_\_\_\_\_

Date: \_\_\_\_\_

**Timothy Dobeck**

**Law Director, City of Parma**