

RECORD OF RESOLUTIONS

Resolution No. 25-004 Passed on January 6th, 2025

RESOLUTION 25-004, AUTHORIZING THE VILLAGE OF WEST JEFFERSON, MADISON COUNTY, OHIO, TO ENTER INTO AN ENTERPRISE ZONE AGREEMENT WITH MADISON COUNTY AND JEFFERSON INDUSTRIES CORPORATION.

WHEREAS, the Ohio Enterprise Zone Act, as set forth in Ohio Revised Code ("**R.C.**") Sections 5709.61 through R.C. 5709.69 (the "**Act**"), authorizes counties, with the consent of any affected municipal corporations or townships, to designate areas as enterprise zones for the purposes of offering incentives for establishing, expanding, renovating, or occupying facilities and hiring new employees and/or preserving jobs within said enterprise zones in exchange for specified local tax incentives; and

WHEREAS, the Village, by Ordinance No. 88-55, adopted on May 23, 1988, designated a certain area as an "Enterprise Zone" pursuant to R.C. Chapter 5709; and

WHEREAS, effective August 8, 1988, the Director of Development of the State of Ohio determined that the aforementioned area designed as an Enterprise Zone in said Ordinance No. 88-55 contains the characteristics set forth in Section 5709.61(A) of the Ohio revised Code and certified said area as an Enterprise Zone under R.C. Chapter 5709; and

WHEREAS, the Council of the Village of West Jefferson, Ohio (the "**Village**") and the Board of County Commissioners (the "**Board of Commissioners**") of Madison County, Ohio (the "**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, Jefferson Industries Corporation (the "**Enterprise**") desires to construct an approximately one hundred eighteen thousand (118,000) square foot expansion of its current facility located in the Enterprise Zone at 6670 State Route 29, NE, West Jefferson, Ohio 43162 (the "**Project Site**") with an estimated total cost of construction of approximately \$100,000,000.00, which will result in the creation of new full-time equivalent positions that will be filled by current employees (the "**Project Phase 3**"); and

WHEREAS, the Enterprise is desirous of developing Project Phase 3 at the Project Site in the Enterprise Zone, provided that the appropriate economic development incentives are available to support the economic viability of Project Phase 3; and

WHEREAS, the Enterprise submitted an Enterprise Zone Agreement application dated December 6, 2024 (the "**Application**") to the Village and the County, a copy of which Application is attached hereto as **Exhibit A** and incorporated herein by reference; and

WHEREAS, the Enterprise's Application proposed Project Phase 3 to involve an investment by the Enterprise of approximately \$100,000,000.00 for: (i) the digitization by the Enterprise of certain production and warehousing processes with new cutting-edge equipment and SMART factory technology assets, (ii) the expansion of the Enterprise's product portfolio to include a new line of an electric

RECORD OF RESOLUTIONS

Resolution No. 25-004 Passed on January 6th, 2025

vehicle battery component, (iii) the construction of an approximately one hundred eighteen thousand (118,000) square foot facility that will house the new product line and create space for advanced system storage, (iv) the creation of new higher paying positions at the Project Site that will be filled by current employees of the Enterprise, and (v) the retention of 617 existing full-time permanent jobs and approximately ninety (90) temporary employees with an associated retained payroll of approximately thirty-eight million eight hundred thousand dollars (\$38,800,000.00), all of which benefits the citizens of the Village and the County; and

WHEREAS, the Advisory Board of said Enterprise Zone has investigated the Application and has recommended the same to the Council of said Village and the Board of Commissioners of the County on the basis that the Enterprise is qualified by financial responsibility and business experience to create and preserve employment opportunities in the Enterprise Zone and improve the economic climate of the Village; and

WHEREAS, the Village is desirous of making available to the Enterprise an exemption for ten (10) years of seventy-five percent (75%) of the increase in the assessed valuation of real property constituting the Project Site, subsequent to the passage of this Resolution; and

WHEREAS, the Village, County, and the Enterprise desire to enter into a written Enterprise Zone Agreement (the "**Agreement**") pursuant to the form required under R.C. 5709.631, substantially in the form attached hereto as **Exhibit B** and incorporated herein by this reference, in order to facilitate the construction of Project Phase 3, which will benefit the economic climate of the Village; and

WHEREAS, the Boards of Education of the West Jefferson Local School District and the Tolles Career and Technical Center (collectively, the "**School Districts**") have each been notified in accordance with R.C. 5709.83 and have been given a copy of the Application; and

NOW, THEREFORE, be it ordained by the Council of the Village of West Jefferson, Madison County, Ohio, that:

Section 1. This Council finds that the Enterprise is qualified by financial responsibility and business experience to create and preserve employment opportunities in the Enterprise Zone and to improve the economic climate of the Village.

Section 2. This Council finds that the Enterprise, subject to approval of the Agreement, intends to expand operations at an existing site in the Enterprise Zone that the Enterprise currently operates.

Section 3. In consideration of the Enterprise's commitment to develop Project Phase 3, this Council hereby approves the Agreement. The Mayor or his or her designee is hereby authorized to sign and deliver, in the name of and on behalf of the Village, said Agreement, in substantially the form as is now attached as **Exhibit B**. Said Agreement is approved, together with any changes or amendments that are not inconsistent with this Resolution and not substantially adverse to the Village and that are approved by Legal Counsel to the Village and the Mayor, on behalf of the Village, all of which shall be conclusively evidenced by the signing of the Agreement or amendments thereto.

RECORD OF RESOLUTIONS

Resolution No. 25-004 Passed on January 6th, 2025

Section 4. That all formal actions of this Council and any of its committees concerning and relating to the passage of this Resolution were taken in an open meeting of this Council, and that all deliberations of this Council and any of its committees that resulted in those formal actions were in meetings open to the public, all in compliance with the law, including Ohio's Sunshine Laws under R.C. Section 121.22.

Section 5. That the Clerk is hereby directed to forward a copy of the Agreement to the Director of the Ohio Department of Development and to the Ohio Tax Commissioner within fifteen (15) days after the Agreement is executed.

Section 6. This Resolution shall take effect and be in force from and after the earliest period allowed by law.

Passed this 6th day of January, 2025

Jennifer Warner 1-6-25
Jennifer Warner, Date
President of Council

Date received by Mayor

Date Approved by Mayor

Ray A. Martin, Mayor

Sections Vetoed: _____

Ray A. Martin, Mayor

Date Vetoed

ATTEST:

Tisha Edwards 1-6-25
Tisha Edwards Date
Clerk of Council

Approved as to Form:

J. Michael Murray 1/7/25
J. Michael Murray, Director of Law, or Date
Joshua W. Beasley, Assistant Director of Law

EXHIBIT A

Enterprise Zone Agreement Application

[See Attached.]

EXHIBIT B

Ohio Enterprise Zone Agreement

[See Attached.]

ENTERPRISE ZONE AGREEMENT

THIS ENTERPRISE ZONE AGREEMENT ("**Agreement**") is made and entered into by and among the VILLAGE OF WEST JEFFERSON, Madison County, Ohio, a municipal corporation duly formed under the Constitution of the State of Ohio (the "**Village**"), the BOARD OF COUNTY COMMISSIONERS (the "Board of Commissioners") of Madison County, Ohio (the "County") and JEFFERSON INDUSTRIES CORPORATION, with its main office located at 6670 State Route 29 Northeast, West Jefferson, Ohio 43162 (the "**Enterprise**" and, together with the Village and the County, the "**Parties**").

WITNESSETH:

WHEREAS, the Ohio Enterprise Zone Act, as set forth in Ohio Revised Code ("**R.C.**") Sections 5709.61 through R.C. 5709.69 (the "**Act**"), authorizes counties, with the consent of any affected municipal corporations or townships, to designate areas as enterprise zones for the purposes of offering incentives for establishing, expanding, renovating, or occupying facilities and hiring new employees and/or preserving jobs within said enterprise zones in exchange for specified local tax incentives; and

WHEREAS, the Village, by Ordinance No. 88-55, adopted on May 23, 1988, designated a certain area as an "Enterprise Zone" pursuant to Chapter 5709 of the Ohio Revised Code; and

WHEREAS, effective August 8, 1988, the Director of Development of the State of Ohio determined that the aforementioned area designed as an Enterprise Zone in said Ordinance No. 88-55 contains the characteristics set forth in Section 5709.61(A) of the Ohio revised Code and certified said area as an Enterprise Zone under R.C. Chapter 5709; and

WHEREAS, the Council of the Village and the Board of Commissioners of the 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, Jefferson Industries Corporation (the "**Enterprise**") desires to construct an approximately one hundred eighteen thousand (118,000) square foot expansion of its current facility located in the Enterprise Zone at 6670 State Route 29, NE, West Jefferson, Ohio 43162 (the "**Project Site**"), as further described in Exhibit A attached hereto and incorporated herein by reference, with an estimated total cost of construction of \$100,000,000.00, which will result in the creation of new full-time equivalent positions that will be filled by current employees (the "**Project Phase 3**") within the boundaries of the Enterprise Zone; and

WHEREAS, the Enterprise is desirous of developing Project Phase 3 at the Project Site in the Enterprise Zone, provided that the appropriate economic development incentives are available to support the economic viability of Project Phase 3; and

WHEREAS, the County having the appropriate authority for the state type of project is desirous of providing the Enterprise with incentives available for the development of Project Phase 3 in said Enterprise Zone under R.C. Chapter 5709; and

WHEREAS, the Enterprise submitted to the Village and County an application for such an Enterprise Zone exemption (the "Application") as a public incentive to help offset the costs of construction of Project Phase 3 at the Project Site, a copy of which Application is attached hereto as Exhibit B and incorporated herein by reference; and

WHEREAS, the Enterprise's Application proposed Project Phase 3 to involve an investment by the Enterprise of approximately \$100,000,000.00 for: (i) the digitization by the Enterprise of certain production and warehousing processes with new cutting-edge equipment and SMART factory technology assets, (ii) the expansion of the Enterprise's product portfolio to include a new line of an electric vehicle battery component, (iii) the construction of an approximately one hundred eighteen thousand (118,000) square foot facility that will house the new product line and create space for advanced system storage, (iv) the creation of new higher paying positions at the Project Site that will be filled by current employees of the Enterprise, and (v) the retention of 617 existing full-time permanent jobs and 90 temporary employees with an

associated retained payroll of approximately \$38,800,000.00, all of which benefits the citizens of the Village and the County; and

WHEREAS, the Enterprise has remitted the required state application fee of \$750.00 made payable to the Ohio Department of Development with the Application to be forwarded with the final agreement; and,

WHEREAS, the Advisory Board of said Enterprise Zone has investigated the Application and has recommended the same to the Council of said Village and the Board of Commissioners of the County on the basis that the Enterprise is qualified by financial responsibility and business experience to create and preserve employment opportunities in the Enterprise Zone and improve the economic climate of the Village; and

WHEREAS, the Village is desirous of making available to the Enterprise an exemption for ten (10) years of seventy-five percent (75%) of the increase in the assessed valuation of real property constituting the Project Site, subsequent to the passage of this Ordinance; and

WHEREAS, the Boards of Education of the West Jefferson Local School District and the Tolles Career and Technical Center (collectively, the “**School Districts**”) have each been notified in accordance with R.C. 5709.83 and have been given a copy of the Application; and,

WHEREAS, pursuant to R.C. 5709.63 and in conformance with the format required under R.C. 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. Project Phase 3; Construction Schedule. The Enterprise shall construct and equip an additional approximately 118,000 square foot facility to be located at 6670 State Route 29 Northeast, West Jefferson, Ohio 43162 to continue the successful operation of its business and create employment opportunities within the boundaries of the Enterprise Zone. The facility shall be constructed on Madison County Auditor Parcel No. 10-01999.000 (the “**Project Site**”).

The Enterprise will invest at least \$100,000,000.00 in Project Phase 3, with investments of approximately \$20,000,000.00 in building improvements/new construction and approximately \$80,000,000.00 in machinery and equipment.

Project Phase 3 will begin in January 2025 and all construction and installation of the project will be completed by December 31, 2026.

Project Phase 3 represents a significant new investment by the Enterprise in the Enterprise Zone.

Section 2. Job Creation and Retention. The Enterprise shall use its best efforts to create, within a time period not exceeding twenty-four months after the commencement of construction for Project Phase 3, higher paying positions for approximately [] current, full-time permanent job employees. The Enterprise does not anticipate creating any new permanent job opportunities, part-time permanent job opportunities, full-time temporary job opportunities, or part-time temporary job opportunities as a result of Project Phase 3. Additionally, the Enterprise shall use its best efforts to retain its 617 full-time permanent job employees and 90 temporary full-time job employees at the Project Site. The retention of the existing jobs will maintain the current annual payroll of thirty-eight million eight hundred thousand dollars (\$38,800,000.00).

The higher paying positions of the Enterprise’s current employees will result in approximately \$[] of additional annual payroll, excluding benefits, for the Enterprise.

The following is an itemization by the type of new jobs created: full-time permanent—\$0.00 per year, full-time temporary— \$0.00, part-time permanent—\$0.00 per year, and part-time temporary—\$0.00 per year.

Section 3. Tax Incentive Review Council. The Enterprise shall provide to the proper Tax Incentive Review Council any information reasonably required by the council to evaluate the Enterprise's compliance with this Agreement, including returns filed pursuant to R.C. 5711.02 or 5727.08 if requested by the Council. Subject to the requirements of applicable law (including Ohio Public Records Law and statutes governing public meetings), the Council, the Board of Commissioners, and all parties to the Agreement will take all reasonable steps to maintain the confidentiality of all proprietary financial and other information provided by the Enterprise pursuant to this Agreement.

Section 4. Real Property Tax Exemption. The Village and County hereby grant the Enterprise a tax exemption for real property improvements made to the Project Site pursuant to R.C. 5709.63 which shall be in the following amounts:

<u>Year of Tax Exemption</u>	<u>Tax Exemption Rate</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 seventy-five percent (75%) exemption for a ten-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, 2030 nor extend beyond December 31, 2040.

The Enterprise must file the appropriate tax forms (DTE 24) with the County Auditor of Madison County, Ohio to effect and maintain the exemptions covered in this Agreement.

Section 5. Annual Fee. The Enterprise shall pay an annual fee equal to the greater of one percent (1%) of the dollar value of incentives offered under this Agreement or five-hundred dollars (\$500.00); provided, however, that if the value of the incentive exceeds two hundred fifty thousand dollars (\$250,000.00), the fee shall not exceed two-thousand five hundred dollars (\$2,500.00).

The fee shall be made payable to the Village of West Jefferson, Finance Director once per year on January 1st of each year the agreement is effective. This fee shall be deposited in a special fund created for such purpose and shall be used exclusively for the purpose of complying with R.C. 5709.68 and by the Tax Incentive Review Council created under R.C. 5709.85 exclusively for the purposes of performing the duties prescribed under that section.

Section 6. Payment of Non-Exempt Taxes. The Enterprise shall pay such 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 the Enterprise fails to pay such taxes or file such returns and reports within thirty (30) days after its receipt of written notice from the Village or the County of its failure to pay such taxes or file such returns or 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 but not submitted and thereafter. If the Enterprise is assessed any property tax which it elects to contest (either in whole or in part), the Enterprise shall not be considered to have failed to satisfy the requirements of this Section 6 until such assessment becomes final as a matter of law, and the Enterprise later fails to pay any such assessment which remains outstanding against it within the time period prescribed by law.

Section 7. Cooperation of the County and the Village. The Village and County 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. Expiration or Revocation of Enterprise Zone. If for any reason the Enterprise Zone designation expires, the Director of the Ohio Department of Development revokes certification of the zone, or the Village or County revokes the designation of the zone, entitlements granted under this Agreement shall continue for the number of years specified under this Agreement, unless the Enterprise materially fails to fulfill its obligations under this Agreement and the Village and the County terminate or modify the exemptions from taxation granted under this Agreement.

Section 9. Termination or Modification upon Default. If the Enterprise materially fails to fulfill its obligations under this Agreement within ninety (90) days after its receipt of written notice from the County of such failure, or if the Village or County determines that the certification as to delinquent taxes required by this Agreement is fraudulent, the Village or County may terminate or modify the exemptions from taxation granted under this Agreement and may require the repayment of the amount of taxes that would have been payable had the property not been exempted from taxation under this Agreement. In no event shall the Enterprise be required to pay or repay more taxes than it would have otherwise paid but for this Agreement.

Section 10. Certification as to No Delinquent Taxes. The Enterprise hereby certifies that at the time this Agreement is executed, the Enterprise does not owe any delinquent real or tangible personal property taxes to any taxing authority of the State of Ohio, and does not owe delinquent taxes for which the Enterprise is liable under R.C. Chapters 5727, 5733, 5735, 5739, 5741, 5743, 5747, or 5753, or, if such delinquent taxes are owed, the Enterprise 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 the Enterprise. 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.

Section 11. Affirmation as to No Moneys owed to State of Ohio. The Enterprise affirmatively covenants that it does 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 12. Approval by the County and the Village. The Village, the County and the Enterprise acknowledge that this Agreement must be approved by formal action of the legislative authority of the Village and the County as a condition for the Agreement to take effect. This Agreement takes effect upon such approval.

Section 13. Non-Discriminating Hiring Practices. The Village and County have developed a policy to ensure recipients of Enterprise Zone tax benefits practice non-discriminating hiring in its operations. By executing this Agreement, the Enterprise 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, or ancestry.

Section 14. Revocation of Exemptions. Exemptions from taxation granted under this Agreement shall be revoked if it is determined that the Enterprise, any successor enterprise, or any related member (as those terms are defined in R.C. 5709.61) has violated the prohibition against entering into this agreement under Division (E) of R.C. 3735.671 or R.C. 5709.62, R.C. 5709.63, or R.C. 5709.632 prior to the time prescribed by that division or any of those sections.

Section 15. R.C. Section 9.66 Covenants. The Enterprise affirmatively covenants that it has 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 the Enterprise has knowingly made a false statement to the State or local political subdivision to obtain the Enterprise Zone incentives, then the Enterprise shall be required to immediately return all benefits received under the Enterprise Zone Agreement pursuant to R.C. 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 R.C. 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 R.C. 2921.13(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 (6) months.

Section 16. Transfer and/or Assignment. This Agreement is not transferrable or assignable without the express, written approval of the Village and the County (which consent shall not be unreasonably withheld, conditioned, or delayed).

Section 17. Notices. All notices or other relating to this Agreement must be in writing (including e-mail or facsimile) and must be delivered or sent guaranteed overnight delivery, by facsimile or e-mail (to be followed by personal or overnight guaranteed delivery, if requested) or by postage prepaid registered or certified mail, return receipt requested, and will be deemed to be given for purposes of this Agreement on date such writing is received by the intended recipient. Unless otherwise specified in a notice sent in accordance with this section, all communications in writing must be given to the parties at the following address:

If to the Village:

Village of West Jefferson
28 E. Main Street
West Jefferson, Ohio 43162
Attention: Mayor

If to the County:

Madison County
[]
[]
Attention: []

If to the Enterprise:

Jefferson Industries Corporation
6670 State Route 29, NE
West Jefferson, Ohio 43162
Attention: Matt Brienzo, Assistant Vice President Operations and Engineering

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IN WITNESS WHEREOF, the Parties have caused this instrument to be executed on this _____ day of _____, 2025.

VILLAGE OF WEST JEFFERSON, OHIO

JEFFERSON INDUSTRIES CORPORATION

By: _____
Ray Martin, Mayor

By: _____

Name: _____

Title: _____

COUNTY OF MADISON, OHIO

By: _____
County Commissioner []

By: _____
County Commissioner []

By: _____
County Commissioner []

Approved as to Form:

Village of West Jefferson, Legal Counsel

EXHIBIT A

MAP OF THE PROJECT SITE

The Project Site is located at 6670 State Route 29 Northeast in the Village of West Jefferson, Madison County, Ohio, with County Tax Year 2024 Parcel ID 10-01999.000.

For convenience, the Property Site is denoted by the blue-outlined area in the map below.



EXHIBIT B

Application for Enterprise Zone Agreement

[See Attached.]