

**OHIO DEVELOPMENT SERVICES AGENCY
OHIO ENTERPRISE ZONE PROGRAM**

PROPOSED AGREEMENT for Enterprise Zone Tax Incentives between the The City of Avon located in the County of Lorain and Jenne, Inc.

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

Jenne Family Limited Partnership

enterprise name

Rose M. Jenne

contact person

216-952-7795

telephone number

3107 N. Windsor Court, Westlake OH 44145

address

- 1b. Project site:

Mayor James A. Smith

contact person

440-937-7800

telephone number

Building Addition at 33665 Chester Rd. Avon, Ohio 44011

address

- 2a. Nature of business: Wholesale/Distribution of communication, video and security products.

- 2b. List primary 6 digit NAICS # **423690**.
Business may list other relevant SIC numbers: **5065**

- 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).
Rose M Jenne, Raymond C. Jenne Trust, Dean M. Jenne Trust
4. Is business seasonal in nature? Yes___ No X
- 5a. State the enterprise's current employment level at the proposed project site:
131
- 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):
131: 124 Full-Time, 5 Temp, 2 Part-Time
- 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: N/A

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 (attach additional pages if necessary):

Jenne, Inc. is proposing a construction of an additional 65,000 Sq. Ft. to its existing facility. The company continues to grow and requires additional space for its employees and to warehouse/inventory additional product.

9. Project will begin **during quarter 2 , 2013 and be completed end of , 2013_ 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): **Jenne, Inc. will hire 24 full-time permanent positions .**

- 10b. State the time frame of this projected **hiring: 3 years after the completion of construction.**

- 10c. State proposed schedule for hiring (itemize by full and part-time and permanent and temporary employees): **Jenne, Inc. anticipates hiring to occur at the rate of 8 (eight) full-time permanent positions per year.**

- 11a. Estimate the amount of annual payroll such new employees will add **\$960,000 full-time or \$1,920,000 cumulatively over a three year period** (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: **\$8,014,000 Ohio payroll in 2012**

12. Market value of the existing facility as determined for local property taxation.
\$2,780,480
- 13a. Business's total current investment in the facility as of the proposal's submission.
\$5,232,521
- 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):
\$ N/A – Ohio eliminated personal property tax filings.

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:	\$ N/A	\$ N/A
B.Additions/New Construction:	\$ 5,000,000	\$ 6,000,000
C.Improvements to existing buildings:	\$ N/A	\$ N/A
D.Machinery & Equipment:	\$ 2,600,000	\$ 3,000,000
E.Furniture & Fixtures:	\$ 500,000	\$ 800,000
F.Inventory:	<u>\$10,000,000</u>	<u>\$15,000,000</u>
Total New Project Investment:	\$18,100,000	\$24,800,000

15. a. Business requests the following tax exemption incentives: 75 % for 10 years covering real and/or personal property including inventory as described above. Be specific as to type of assets, rate, and term.
For Real property to the existing building.
- b. Business's reasons for requesting tax incentives (be quantitatively specific as possible): **See Exhibit-1 for quantitative analysis.**

In 1996, Jenne, Inc. (Jenne) entered into an Ohio Enterprise Zone Agreement with the City of Avon. The Agreement required Jenne to relocate to the City of Avon, create 15 new jobs and make significant investment in real and personal property. For the period of the entire abatement Jenne exceeded all of the requirements of the original Agreement including: real property investment of \$2,033,000, personal property investment over \$7,500,000, retention of 17 full-time and 2 part-time permanent employees and creation of 26 full-time permanent positions.

In 2002, Jenne entered a second Ohio Enterprise Zone Agreement with the City of Avon. The Agreement required Jenne to create 12 new jobs and make a significant investment in real and personal property. To date Jenne has exceeded the all the requirements of the Agreement including: retention of 43 full-time permanent employees, creation of 59 full-time permanent positions and 1 part-time permanent position, real property investment of \$1,332,156 and personal property investment of \$12,646,878.

Jenne continues to be a good corporate citizen through timely payment of taxes, growth and management of its business and providing quality employment opportunities for the surrounding area. Jenne has won The Golden 30 Award for growing companies

demonstrating world-class performance, sponsored by Lorain Community College annually since 1999.

Jenne is one of three major distributors in the United States distributing communications, video, and security products; of which Avaya, the number one telephony manufacturer, which owns over 50% of the market. Jenne is part of the technology industry that will continue to offer solutions that will help businesses grow and become more efficient through improved communications in an ever-changing economic environment. As technology continues to evolve, Jenne will play a larger role in educating and supporting its customers (value added resellers). Because of the recent economy, many technology companies' sales have declined over the past few years. Jenne is in a unique situation, because its business continues to grow in a difficult economic environment. Jenne attributes its growth, in part to outstanding customer service, knowledgeable staff, outstanding technical support, customer training and certification and broad product offering which is the direct result of significant reinvestment in the business including broad product offering, state of the art warehouse and distribution facility, world class business systems and recruiting and training employees.

Jenne's growth is now at a point where additional investment of real and personal property along with additional people is required. As such, Jenne is exploring its options out of the State of Ohio for both its facility and employment needs. As outlined in this proposal, Jenne is committed to profitably growing its business. This growth will require the investment in a larger facility to house additional employees, create warehouse space for new product lines and larger volume of existing product lines and provide additional space for larger staging areas to receive and ship product. A larger warehouse will require an investment in additional material handling equipment to provide a more efficient means of moving and tracking product throughout the facility.

As outlined in this application, Jenne is committed to making a significant investment in its business at its current location in Avon. ***Despite a difficult economy, and in lieu of moving out of the State of Ohio, Jenne is willing to invest approximately \$18,100,000 to \$24,800,000 in its business, at the current location, and over the next three years commit to the creation of 24 full-time permanent positions resulting in new annual payroll of \$960,000 at an average payroll of \$40,000.*** Many of these positions require training in the technology which would be provided in our Avon training center. In order to continue to attract and retain growing businesses and encourage the creation of new high paying jobs and reinvestment in business it is necessary for the City of Avon to continue to support its corporate citizens by providing financial assistance for these types of projects. ***Jenne is requesting that the City of Avon share in this investment by providing 75% percent tax abatement for 10 years on its investment in the real property expansion and personal property including machinery, equipment, furniture and inventory.***

Submission of this application expressly authorizes **The City of Avon and/of Lorain 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.

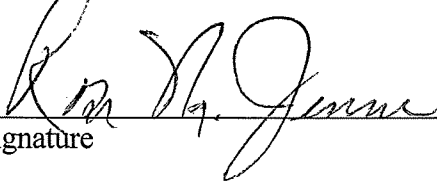
There will be no monitoring fee(s) and it will be waived.

Jenne Family Limited Partnership

5/30/2013

Name of Enterprise

Date



Rose M. Jenne, Managing Partner

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.