ORDINANCE NO. 24-20

AN ORDINANCE AUTHORIZING THE EXECUTION OF A GRANT AGREEMENT WITH BENDIX COMMERCIAL VEHICLE SYSTEMS LLC AND DECLARING AN EMERGENCY

WHEREAS, the City of Avon (the “City”) seeks to foster job creation and economic development in the City; and

WHEREAS, Bendix Commercial Vehicle Systems LLC (“Bendix”) and the City (collectively, the “Parties”) have negotiated a proposed Grant Agreement (the “Grant Agreement”) to provide certain economic development incentives to Bendix in exchange for Bendix committing to create new jobs and payroll in the City; and

WHEREAS, Bendix is the owner or lessee of certain property located at 35500 Chester Road, Avon, Ohio (the “Project Site”), and in consideration for the incentives set forth herein, Bendix intends to establish its North American headquarters at the Project Site (the “Project”); and

WHEREAS, the City and GEIS AT CHESTER, LLC and the LORAIN COUNTY PORT AUTHORITY (the “Property Owner”) have agreed to enter into a Community Reinvestment Area (“CRA Agreement”) which will provide a fourteen year, 90% real property tax exemption to new structures on the Project Site (the “CRA Exemption”) in accordance with the terms of the CRA Agreement and Ordinance No. 23-20 passed by the City Council for the City of Avon (the “Council”) authorizing the execution of the CRA Agreement; and

WHEREAS, Bendix will be the tenant of the Property Owner; and

WHEREAS, the City, under the terms of this Agreement, desires to offer Bendix an annual cash incentive for seven (7) years beginning with the first calendar year after the conclusion of the fourteen-year CRA Exemption period (the “CRA Term”); and

WHEREAS, in connection with the Project, Bendix will commit to maintaining at the Project Site at least five hundred fifty (550) full-time permanent employee positions (the “New Employee Positions”) with an aggregate annual compensation of at least fifty-five million dollars ($55,000,000) by no later than December 31, 2021 (the “Metric Commitments”); and

WHEREAS, the City, in order to encourage Bendix’s creation of the New Employee Positions and in exchange for the Metric Commitments, desires to offer Bendix an annual cash incentive equal to a portion (0.25) of the City income tax withheld from the New Employee Positions created and located at the Project Site for a period of seven years (the “Annual Incentive” as further defined in Grant Agreement) after the end of the CRA Term; and

WHEREAS, the City’s obligation to pay the Annual Incentive each year during the seven (7) year Incentive Period (as defined in the Grant Agreement) is contingent upon passage of an ordinance by the Council each year appropriating and authorizing the expenditure of monies sufficient to make such payment and the certification of the City Finance Director; and
WHEREAS, the proposed Grant Agreement requires Bendix to provide the City with certain annual reports and entitles the City to audit the information that the City receives from Bendix; and

WHEREAS, the Economic Development Committee of Council met on February 17, 2020 and heard from representatives of Bendix, reviewed the Grant Agreement and by a vote of three (3) in favor and zero (0) opposed, voted to recommend passage of this Ordinance authorizing the Mayor to enter into the Agreement; and

WHEREAS, the City Law Director has received a copy of the proposed Grant Agreement that the Parties have negotiated; and

WHEREAS, the immediate passage of this Ordinance is necessary in order to incentivize job creation and economic development in the City without delay.

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF AVON, LORAIN COUNTY, OHIO:

Section 1 - That, in consideration of the covenants set forth in the Grant Agreement in the form on file with the City Law Director and attached hereto as Exhibit A, this Council hereby approves the Grant Agreement substantially in said form and authorizes the Mayor to execute and deliver the Grant Agreement on behalf of the City, with such changes therein not inconsistent with this Ordinance and not substantially adverse to this City; and

Section 2 - That, this Council hereby authorizes the Mayor or other appropriate officers of the City to take such actions as are necessary or appropriate to implement the transactions contemplated by this Ordinance.

Section 3 - That, it is hereby found and determined that all formal actions of this Council concerning and relating to the passage of this Ordinance were adopted in an open meeting of this Council and that all deliberations of this Council and any decision making bodies of the City which resulted in such formal actions were in meetings open to the public, in compliance with all legal requirements, including Section 121.22 of the Ohio Revised Code.

Section 4 - 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 City residents, for the purpose of consenting to the Grant Agreement with Bendix to make additional employment available, promote employment opportunities in the City and incentivize work related to the Project, and support commencement of construction at the earliest possible date; therefore, this Ordinance is hereby declared to be an emergency and shall take effect and be in full force immediately upon its passage and approval by the Mayor.

PASSED: ______________________ DATE SIGNED:________________________

By: ____________________________
    Brian Fischer, Council President
DATE APPROVED BY THE MAYOR ________________

________________________
Bryan K. Jensen, Mayor

APPROVED AS TO FORM:

________________________
John A. Gasior, Law Director

ATTEST:

________________________
Barbara J. Brooks
Clerk of Council

POSTED: ____________________
In Five Places as
Provided by Council

Prepared By:
John A. Gasior, Esq.
Law Director