

CITY OF STRONGSVILLE, OHIO

ORDINANCE NO. 2014 – 251

By: Mayor Perciak and All Members of Council

AN ORDINANCE AMENDING ORDINANCE NO. 2013-270 IN ORDER TO ADD A RESTRUCTURED VITA-MIX CORPORATION AND TWO AFFILIATES TO THE DESIGNATION OF VITA-MIX CORPORATION IN CONNECTION WITH THE JOB/PAYROLL CREATION INCENTIVE GRANT THAT HAD BEEN AUTHORIZED, AND DECLARING AN EMERGENCY.

WHEREAS, through adoption of Ordinance No. 2013-270, this Council authorized a Job/Payroll Creation Incentive Grant for Vita-Mix Corporation based upon an Application identifying the applicant as "Vita-Mix Corporation & Affiliates"; and

WHEREAS, Vita-Mix Corporation has now notified the City of its intention to undertake an internal corporate reorganization of Vita-Mix Corporation and splitting up its various corporate responsibilities and spinning them off to two other affiliate corporations, as "brother-sister" companies; namely, "Vita-Mix Manufacturing Corporation" and "Vita-Mix Management Corporation"; and

WHEREAS, based upon executed letters from the three firms, attached hereto and incorporated herein as Exhibits 3, 4 and 5, they have agreed to jointly and collectively be responsible for the covenants, obligations, terms and conditions of Vita-Mix Corporation as pertains to the requirements of the City grant application and award as reflected in Ordinance No. 2013-270; and

WHEREAS, it is now, therefore, necessary to formally recognize said corporate reorganization of Vita-Mix Corporation to be effective January 1, 2015 and to amend Ordinance No. 2013-270 accordingly.

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF STRONGSVILLE, COUNTY OF CUYAHOGA AND STATE OF OHIO:

Section 1. That Section No. 1 of Ordinance No. 2013-270 is hereby amended to add the following supplemental language:

And further that any reference to Vita-Mix Corporation shall also include its two affiliates; namely, Vita-Mix Manufacturing Corporation and Vita-Mix Management Corporation, both of which through the executed letters attached hereto as Exhibits 3 and 4, and made a part hereof, shall constitute their respective joint and collective agreement and obligation to adhere to the covenants, terms and conditions of the grant award by the City, in accordance with the Grant Application.

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Section 2. That all other terms and conditions of the grant award remain in place without modification and as reflected in Ordinance No. 2013-270.

Section 3. That Council hereby authorizes and appropriates funding and payment for the Job/Payroll Creation Incentive Grant from the City's non-tax revenue sources, including but not limited to the following: interest income, permit fees, activity fees, service charges, and tax incentive application and monitoring fees for Vita-Mix Corporation, Vita-Mix Manufacturing Corporation and Vita-Mix Management Corporation collectively, which shall be paid from the General Fund.

Section 4. 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 any of its committees, that resulted in such formal action were in meetings open to the public in compliance with all legal requirements.

Section 5. That this Ordinance is hereby declared to be an emergency measure immediately necessary for the preservation of the public peace, health, safety and welfare of the City, and for the further reason that the authorization and approval of the Job/Payroll Creation Incentive Grant is necessary to create new jobs and new payroll associated with an existing business within the City of Strongsville in furtherance of the City's economic development and well-being, and to generate additional tax dollars now and in the future. Therefore, provided this Ordinance receives the affirmative vote of two-thirds of all members elected to Council, it shall take effect and be in force immediately upon its passage and approval by the Mayor; otherwise from and after the earliest period allowed by law.

Michael Daymut
President of Council

Approved: Thomas B. Briel
Mayor

Date Passed: December 15, 2014.

Date Approved: December 16, 2014.

	<u>Yea</u>	<u>Nay</u>
Carbone	<u>✓</u>	_____
Daymut	<u>✓</u>	_____
DeMio	<u>✓</u>	_____
Dooner	<u>✓</u>	_____
Maloney	<u>✓</u>	_____
Schonhut	<u>✓</u>	_____
Southworth	<u>✓</u>	_____

Attest: Christina Meneal
Acting Clerk of Council

ORD. No. 2014-251 Amended: _____
1st Rdg. 12-15-14. Ref: _____
2nd Rdg. Suspended. Ref: _____
3rd Rdg. Suspended. Ref: _____

Pub Hrg. _____ Ref: _____
Adopted: 12-15-14. Defeated: _____



December 11, 2014

Mayor Thomas P. Perciak
City of Strongsville
16099 Foltz Parkway
Strongsville, OH 44149

Re: Job/Payroll Creation Incentive Grant
(Ordinance No. 2013-270)

Dear Mayor Perciak:

This letter is by way of further supplementation and clarification to the correspondence of June 11, 2014 from Ms. Kari Wallace, Tax and Compliance Manager of Vita-Mix Corporation to your Economic Development Director, Brent Painter, concerning the upcoming internal corporate reorganization of various affiliated Vita-Mix entities within the context of the City's recent Grant.

Effective January 1, 2015, our company known as the restructured Vita-Mix Corporation, affiliated as a brother-sister company to Vita-Mix Manufacturing Corporation and Vita-Mix Management Corporation – with all situated as wholly-owned subsidiaries under the newly-formed Vita-Mix Holdings Company – will be committed to participating in creation of the new jobs and payroll underlying award of the Job/Payroll Creation Incentive Grant that the City awarded under Ordinance No. 2013-270, on December 2, 2013. Specifically, by executing this letter as the undersigned is authorized to do, Vita-Mix Corporation commits to the representations made in the original Application for Grant and all of the covenants, obligations, terms and conditions therein, as filed with the City by Vita-Mix Corporation and affiliates, including but not limited to the obligation now of the restructured Vita-Mix Corporation's allocation of new jobs and new payroll to be generated in a collective manner with the other two affiliated entities as required by the terms and conditions of the Grant.

We further understand that it will be necessary for your City Council to amend its prior Ordinance (No. 2013-270) in order to properly reflect this fact as it relates to the grant award.

Very truly yours,

VITA-MIX CORPORATION

By: *Sere W. Connors*
(as authorized)
Title: *Chief Financial & Administrative*
officer

cc: Michael J. Daymut, President of Council
Brent P. Painter, Director of Economic Development
Kenneth A. Kraus, Law Director
Joseph K. Dubovec, Director of Finance
Aimee Pientka, Clerk of Council
Vita-Mix Corporation, Attn: Kari Wallace
Vita-Mix Management Corporation
Vita-Mix Manufacturing Corporation
Mike Caputo, McDonald Hopkins LLC

EXHIBIT 3



December 11, 2014

Mayor Thomas P. Perciak
City of Strongsville
16099 Foltz Parkway
Strongsville, OH 44149

Re: Job/Payroll Creation Incentive Grant
(Ordinance No. 2013-270)

Dear Mayor Perciak:

This letter is by way of further supplementation and clarification to the correspondence of June 11, 2014 from Ms. Kari Wallace, Tax and Compliance Manager of Vita-Mix Corporation to your Economic Development Director, Brent Painter, concerning the upcoming internal corporate reorganization of various affiliated Vita-Mix entities within the context of the City's recent Grant.

Effective January 1, 2015, our company known as Vita-Mix Management Corporation, affiliated as a brother-sister company to Vita-Mix Corporation and Vita-Mix Manufacturing Corporation – with all situated as wholly-owned subsidiaries under the newly-formed Vita-Mix Holdings Company – will be committed to participating in creation of the new jobs and payroll underlying award of the Job/Payroll Creation Incentive Grant that the City awarded under Ordinance No. 2013-270, on December 2, 2013. Specifically, by executing this letter as the undersigned is authorized to do, Vita-Mix Management Corporation commits to the representations made in the original Application for Grant and all of the covenants, obligations, terms and conditions therein, as filed with the City by Vita-Mix Corporation and affiliates, including but not limited to the obligation now of Vita-Mix Management Corporation's allocation of new jobs and new payroll to be generated in a collective manner with the other two affiliated entities as required by the terms and conditions of the Grant.

We further understand that it will be necessary for your City Council to amend its prior Ordinance (No. 2013-270) in order to properly reflect this fact as it relates to the grant award.

Very truly yours,

VITA-MIX MANAGEMENT CORPORATION

By: *Lee W. Connors*

Title: *Chief Financial & Administrative*
(as authorized)
Officer

cc: Michael J. Daymut, President of Council
Brent P. Painter, Director of Economic Development
Kenneth A. Kraus, Law Director
Joseph K. Dubovec, Director of Finance
Aimee Pientka, Clerk of Council
Vita-Mix Corporation, Attn: Kari Wallace
Vita-Mix Manufacturing Corporation
Mike Caputo, McDonald Hopkins LLC

EXHIBIT 4



December 11, 2014

Mayor Thomas P. Perciak
City of Strongsville
16099 Foltz Parkway
Strongsville, OH 44149

Re: Job/Payroll Creation Incentive Grant
(Ordinance No. 2013-270)

Dear Mayor Perciak:

This letter is by way of further supplementation and clarification to the correspondence of June 11, 2014 from Ms. Kari Wallace, Tax and Compliance Manager of Vita-Mix Corporation to your Economic Development Director, Brent Painter, concerning the upcoming internal corporate reorganization of various affiliated Vita-Mix entities within the context of the City's recent Grant.

Effective January 1, 2015, our company known as Vita-Mix Manufacturing Corporation, affiliated as a brother-sister company to Vita-Mix Corporation and Vita-Mix Management Corporation – with all situated as wholly-owned subsidiaries under the newly-formed Vita-Mix Holdings Company – will be committed to participating in creation of the new jobs and payroll underlying award of the Job/Payroll Creation Incentive Grant that the City awarded under Ordinance No. 2013-270, on December 2, 2013. Specifically, by executing this letter as the undersigned is authorized to do, Vita-Mix Manufacturing Corporation commits to the representations made in the original Application for Grant and all of the covenants, obligations, terms and conditions therein, as filed with the City by Vita-Mix Corporation and affiliates, including but not limited to the obligation now of Vita-Mix Manufacturing Corporation's allocation of new jobs and new payroll to be generated in a collective manner with the other two affiliated entities as required by the terms and conditions of the Grant.

We further understand that it will be necessary for your City Council to amend its prior Ordinance (No. 2013-270) in order to properly reflect this fact as it relates to the grant award.

Very truly yours,

VITA-MIX MANUFACTURING CORPORATION

By: *Doree W. Connors*

Title: *Chief Financial & Administrative*
Officer
(as authorized)

cc: Michael J. Daymut, President of Council
Brent P. Painter, Director of Economic Development
Kenneth A. Kraus, Law Director
Joseph K. Dubovec, Director of Finance
Aimee Pientka, Clerk of Council
Vita-Mix Corporation, Attn: Kari Wallace
Vita-Mix Management Corporation
Mike Caputo, McDonald Hopkins LLC

EXHIBIT 5