June 2, 2022

FINANCE COMMITTEE

June 6, 2022 *Committee and Council Meetings can be viewed by accessing YouTube*

Council Chambers 5:45pm

AGENDA

- 1. Consider Resolution No. 22-53 A RESOLUTION CONSENTING TO AN ENTERPRISE ZONE ABATEMENT AGREEMENT BETWEEN THE BOARD OF COUNTY COMMISSIONERS OF LICKING COUNTY, OHIO AND THE KROGER COMPANY AND AUTHORIZING THE DIRECTOR OF PUBLIC SERVICE TO EXECUTE SUCH AGREEMENT ON BEHALF OF THE CITY OF NEWARK, OHIO
- 2. OTHER ITEMS AT THE DISCRETION OF THE CHAIR

BY:

A RESOLUTION CONSENTING TO AN ENTERPRISE ZONE ABATEMENT AGREEMENT BETWEEN THE BOARD OF COUNTY COMMISSIONERS OF LICKING COUNTY, OHIO AND THE KROGER COMPANY AND AUTHORIZING THE DIRECTOR OF PUBLIC SERVICE TO EXECUTE SUCH AGREEMENT ON BEHALF OF THE CITY OF NEWARK, OHIO.

WHEREAS, the Council of the City of Newark, Ohio by Resolution No. 19-72 adopted on July 5, 1988, designated the area as an "Enterprise Zone" pursuant to Chapter 5709 of the Ohio Revised Code; and

WHEREAS, the State of Ohio, by and through the Director of Development has determined that effective August 16, 1988 the City of Newark exhibits the characteristics set forth in ORC Section 5709.61 to qualify as an Enterprise Zone and did certify the City of Newark as an Enterprise Zone under ORC Section 5709.63; and

WHEREAS, Enterprise Zone Abatement Agreements are negotiated between the applicant and the Board of County Commissioners though the agreement must be approved by this Council before the agreement can be approved by the Board of County Commissioners; and

WHEREAS, The Kroger Company has submitted an Enterprise Zone Abatement proposal in the manner prescribed by the Director of Development of the State of Ohio setting forth a plan to establish and occupy a facility in the City of Newark Enterprise Zone and to hire new employees or to preserve employment opportunities for existing employees within such Zone and has requested that it be granted one or more of the tax abatement incentives set forth in ORC Section 5709.62 in exchange for implementation of the proposed plan; and,

WHEREAS, the Enterprise Zone Abatement proposal submitted by The Kroger Company includes the intention to retain all existing 145 full-time permanent employees, within the City of Newark, to retain the current annual payroll of \$9,327,254.00, and to create an additional six (6) new full-time employees for a total of approximately \$300,000.00 in estimated additional payroll to be achieved within three years of the completion of the project; and,

WHEREAS, the Enterprise Zone Abatement proposal submitted by The Kroger Company includes a plan to establish, expand, renovate, and/or occupy a facility with total New Project Investment of approximately \$70,000,000.00 to construct a new facility, machinery, fixtures, equipment, and furniture along with improvements to existing buildings and land; and,

WHEREAS, the investment intended to be made by The Kroger Company pursuant to the proposed Enterprise Zone Abatement plan represents a significant and eligible investment within the City of Newark, Ohio pursuant to ORC Section 5709.63; and,

WHEREAS, The Kroger Company appears to be qualified by financial responsibility and business experience to create and preserve employment opportunities within the Enterprise Zone and to improve the economic climate within the City of Newark, Ohio; and,

WHEREAS, the Resolution was addressed in a regular session of the Finance Committee of this Council which voted to forward the same on to full Council for consideration and adoption.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF NEWARK, COUNTY OF LICKING AND STATE OF OHIO, THAT:

- Section 1: This Council does consent to the proposed Enterprise Zone Abatement Agreement and hereby authorizes the Mayor and the Director of Public Service to execute such agreement to be negotiated between The Kroger Company and the Board of County Commissioners of Licking County, Ohio, based upon the terms and conditions as set forth in the proposed agreement attached hereto and marked Exhibit "A".
- Section 2: The Clerk of Council is hereby directed to transmit a certified copy of this Resolution along with the attached proposed Enterprise Zone Agreement to the Board of County Commissioners of Licking County, Ohio.
- Section 3: This Resolution shall become effective at the earliest time permitted by Article 4.07 of the Charter of the City of Newark, Ohio.

Adopted this _____ day of _____, 2022.

President of Council

ATTEST:

Clerk of Council

DATE FILED WITH THE MAYOR: _____

DATE APPROVED BY MAYOR: _____

MAYOR

Prepared by the Office of the Director of Law

OHIO ENTERPRISE ZONE AGREEMENT BETWEEN THE KROGER CO., THE CITY OF NEWARK, OHIO AND LICKING COUNTY, OHIO

This agreement made and entered into by and between the <u>CITY OF NEWARK, OHIO</u> an incorporated municipality with its main offices located at <u>40 W. MAIN STREET, NEWARK</u> <u>OHIO, LICKING COUNTY, OHIO</u>, a political subdivision of the State of Ohio, and <u>LICKING</u> <u>COUNTY, OHIO</u> with its main offices located at <u>20 S. SECOND STREET, NEWARK, OHIO</u> (hereinafter referred to as <u>"CITY OF NEWARK & LICKING COUNTY"</u>), and <u>THE KROGER</u> <u>CO.</u>, an <u>OHIO</u> Corporation with its main offices located at <u>1014 VINE STREET, CINCINNATI,</u> <u>OHIO</u>, <u>______</u> (hereinafter referred to as <u>"ENTERPRISE"</u>), WITNESSETH;

WHEREAS, <u>CITY OF NEWARK & LICKING COUNTY</u> has encouraged the development of real property and the acquisition of personal property located in the area designated as an Enterprise Zone; and

WHEREAS, <u>THE KROGER CO.</u> is desirous of <u>expanding their operation at Tamarack Farms</u> <u>Dairy within the City of Newark & Licking County to include a new 35,000 square foot addition</u> <u>needed to install an aseptic milk line that will allow for continued operations within the region</u> (hereinafter referred to as the "PROJECT") within the boundaries of the aforementioned Enterprise Zone, provided that the appropriate development incentives are available to support the economic viability of said PROJECT; and

WHEREAS, the <u>COUNCIL</u> of <u>CITY OF NEWARK</u>, <u>OHIO</u> by <u>Resolution</u> No. <u>19-72</u> adopted <u>JULY 5, 1988</u>, designated the area as an "Enterprise Zone" pursuant Chapter 5709 of the Ohio Revised Code; and

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WHEREAS, the <u>BOARD OF COMMISSIONERS FOR LICKING COUNTY</u>, Ohio by <u>Resolution</u> - adopted <u>July 19, 1988</u>, adopted the City of Newark's request designating the area as an "Enterprise Zone" pursuant Chapter 5709 of the Ohio Revised Code; and

WHEREAS, <u>CITY OF NEWARK & LICKING COUNTY</u> by <u>RESOLUTION</u> No. <u>102-163A</u> adopted <u>November 19, 2019</u>, expanded the "Enterprise Zone" pursuant Chapter 5709 of the Ohio Revised Code to include real property previously annexed by the City of Newark but excluded within the original resolution; and

WHEREAS, <u>August 16, 1988</u>, the Director of Development of the State of Ohio determined that the aforementioned area designated in said <u>RESOLUTION</u> No. <u>19-72</u> contains the characteristics set forth in Section 5709.61(A) of the Ohio Revised Code and certified said area as an Enterprise Zone under said Chapter 5709; and

WHEREAS, <u>December 10, 2019</u>, the Director of Development of the State of Ohio determined that the aforementioned expansion designated in said <u>RESOLUTION</u> No. <u>102-163A</u> contains the characteristics set forth in Section 5709.61(A) of the Ohio Revised Code and certified said area as an Enterprise Zone under said Chapter 5709; and

WHEREAS, <u>CITY OF NEWARK & LICKING COUNTY</u> having the appropriate authority for the stated type of project is desirous of providing <u>THE KROGER CO</u>, with incentives available for the development of the PROJECT in said Enterprise Zone under Chapter 5709 of the Ohio Revised Code; and

WHEREAS, <u>THE KROGER CO.</u> has submitted a proposed agreement application (herein attached as Exhibit A) to <u>CITY OF NEWARK & LICKING COUNTY</u> said application (hereinafter referred to as "APPLICATION"); and

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WHEREAS, <u>THE KROGER CO.</u> has remitted the required state application fee of \$750.00 made payable to the Ohio Development Services Agency with the application to be forwarded with the final agreement; and

WHEREAS, the <u>Executive Director</u> of <u>GROW Licking County CIC</u> has investigated the application of <u>THE KROGER CO</u>, and has recommended the same to the Council and Board of Commissioners of <u>CITY OF NEWARK & LICKING COUNTY</u> on the basis that <u>THE KROGER</u> <u>CO</u>, is qualified by financial responsibility and business experience to create and preserve employment opportunities in said Enterprise Zone and improve the economic climate of <u>CITY OF</u> <u>NEWARK & LICKING COUNTY</u>; and

WHEREAS, pursuant to Section <u>5709.62(C)</u>, <u>5709.63(A)</u> or <u>5709.632</u> and in conformance with the format required under Section 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:

1. <u>THE KROGER CO. shall invest approximately \$16,000,000 to construct a new thirty-five</u> thousand (35,000 +/-) square foot addition to Tamarack Farms Dairy located at 1701 Tamarack Road, Newark, Ohio, to install a new aseptic milk line capable of running a variety of dairy products. The facility will create 6 full-time positions over the course of three years. Said facility shall be constructed on part of Parcel Number 054-216672-03. As designated by the Licking County Auditor's Office and located within the City of Newark, Ohio.

In addition, THE KROGER CO. intends to purchase and install new machinery and equipment with an estimated value of \$54,000,000.

The PROJECT will begin by <u>September 30, 2022</u> and all acquisition, construction and installation will be completed by <u>June 30, 2023</u>.

The total investment of this new facility represents a significant new investment within Newark & Licking County, as evidenced in Exhibit A.

2. <u>THE KROGER CO.</u> shall create within a time period not exceeding <u>36</u> months after the completion of construction and occupancy of the aforesaid facility, the equivalent of <u>6</u> new full-time permanent job opportunities, and <u>THE KROGER CO.</u> will use its best efforts to retain <u>145</u> existing full-time equivalent jobs within the City of Newark & Licking County.

<u>THE KROGER CO.</u> schedule for hiring is as follows: create <u>1</u> new job in year one; <u>2</u> new full-time permanent jobs in year two; <u>3</u> new full-time permanent jobs in year three; The job creation period begins <u>June 30, 2023</u> and all jobs will be in place by <u>June 30, 2026</u>.

<u>THE KROGER CO.</u> currently has <u>145</u> full-time permanent employees within the City of Newark at the Tamarack Dairy Farms location. In total, <u>THE KROGER CO.</u> has <u>570</u> full-time permanent employees in the State of Ohio.

This increase in the number of employees will result in approximately \$300,000 (three hundred thousand) dollars of additional annual payroll for <u>THE KROGER CO.</u> The following is an itemization by the type of new jobs created: full-time permanent \$300,000, retention of the existing jobs will maintain the current annual payroll of \$9,327,254 nine million, three hundred and twenty seven thousand, two hundred and fifty four dollars.

3. <u>THE KROGER CO.</u> shall provide to the proper Tax Incentive Review Council any information reasonably required by the council to evaluate the enterprise's compliance with the agreement, including returns filed pursuant to section 5711.02 of the Ohio Revised Code if requested by the council.

4. <u>CITY OF NEWARK & LICKING COUNTY</u> hereby grants a tax exemption pursuant Section <u>5709.62</u>, <u>5709.63</u> or <u>5709.632</u> for eligible new tangible personal property including inventory (<u>if applicable</u>) acquired in conjunction with the PROJECT and will only apply to the limits expressed in the project description as defined in Sections 1 and 4 of this agreement.

The minimum investment for tangible personal property to qualify for the exemption is \$70,000,000 for its proposed project, including \$16,000,000 in building costs and \$54,000,000 in machinery and equipment costs. The exemption commences the first year for which the tangible personal property would first be taxable were that property not exempted from taxation. No exemption shall commence after tax return year 2032 nor extend beyond tax return year 2035. In no instance shall any tangible personal property be exempted from taxation for more than ten return years.

5. <u>CITY OF NEWARK & LICKING COUNTY</u> hereby grants <u>THE KROGER CO</u>. a tax exemption for real property improvements made to the PROJECT site pursuant to Section <u>5709.62</u>, <u>5709.63 or 5709.632</u> of the Ohio Revised Code and shall be in the following amounts:

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 2032 nor extend beyond 2035.

| Year of Tax Exemption | Tax Exemption Amount |
|-----------------------|----------------------|
| <u>YR 1</u> | <u>75%</u> |
| <u>YR 2</u> | <u>75%</u> |
| <u>YR 3</u> | <u>75%</u> |

| <u>YR 4</u> | <u>75%</u> |
|--------------|------------|
| <u>YR 5</u> | <u>75%</u> |
| <u>YR 6</u> | <u>75%</u> |
| <u>YR 7</u> | <u>75%</u> |
| <u>YR 8</u> | <u>75%</u> |
| <u>YR 9</u> | <u>75%</u> |
| <u>YR 10</u> | <u>75%</u> |

<u>THE KROGER CO.</u> must file the appropriate tax forms (DTE 23) with the County Auditor and (#913) with the State Department of Taxation to effect and maintain the exemptions covered in the agreement. The #913 Ohio tax form **must** be filed annually.

6. The Kroger Co. shall pay an annual fee equal to the greater of one percent of the dollar value of incentives offered under the agreement or five hundred dollars: provided, however, that if the value of the incentives exceeds two hundred fifty thousand dollars, the fee shall not exceed two thousand five hundred dollars.

The fee shall be made payable to the <u>Licking County</u> once per year for each year the agreement is effective on the days and in the following forum: <u>certified check</u> The fee is to be paid to <u>Licking</u> <u>County Treasurer</u> and made out to <u>Licking County, Ohio</u>. This fee shall be deposited in a special fund created for such purpose and shall be used exclusively for the purpose of complying with section 5709.68 of the revised code and by the tax incentive review council created under section 5709.85 of the revised code exclusively for the purposes of performing the duties prescribed under that section.

7. <u>CITY OF NEWARK & LICKING COUNTY</u> 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."

8. If for any reason the Enterprise Zone designation expires, the Director of the Ohio Development Services Agency revokes certification of the zone, or <u>CITY OF NEWARK & LICKING COUNTY</u> revokes the designation of the zone, entitlements granted under this agreement shall continue for the number of years specified under this agreement, unless <u>THE KROGER CO</u>, materially fails to fulfill its obligations under this agreement and <u>CITY OF NEWARK & LICKING COUNTY</u> terminates or modifies the exemptions from taxation granted under this agreement."

9. If <u>THE KROGER CO.</u> materially fails to fulfill its obligations under this agreement, or <u>CITY OF NEWARK & LICKING COUNTY</u> determines that the certification as to delinquent taxes required by this agreement is fraudulent, <u>CITY OF NEWARK & LICKING COUNTY</u> may terminate or modify the exemptions from taxation granted under this agreement."

10. <u>THE KROGER CO.</u> hereby certifies that at the time this agreement is executed, <u>THE KROGER CO.</u> 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 <u>THE KROGER CO.</u> is liable under Chapter 5733., 5735., 5739., 5741., 5743., 5747., or 5753. of the Revised Code, or, if such delinquent taxes are owed, <u>THE KROGER CO.</u> 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 <u>THE KROGER CO.</u>. 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."

11. <u>THE KROGER CO.</u> 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.

12. <u>THE KROGER CO.</u> and <u>CITY OF NEWARK & LICKING COUNTY</u> acknowledge that this agreement must be approved by formal action of the legislative authority <u>CITY OF NEWARK</u> <u>& THE LICKING COUNTY BOARD OF COMMISSIONERS</u> as a condition for the agreement to take effect. This agreement takes effect upon such approval.

13. <u>CITY OF NEWARK & LICKING COUNTY</u> has developed a policy to ensure recipients of Enterprise Zone tax benefits practice non-discriminating hiring in its operations. By executing this agreement, <u>THE KROGER CO.</u> 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.

14. "Exemptions from taxation granted under this agreement shall be revoked if it is determined that <u>THE KROGER CO.</u>, any successor enterprise, or any related member (as those terms are defined in Section 5709.61 of the Ohio Revised Code) has violated the prohibition against entering into this agreement under Division (E) of Section 3735.671 or Section <u>5709.62</u>, <u>5709.63</u> of the Ohio Revised Code prior to the time prescribed by that division or either of those sections."

15. <u>THE KROGER CO.</u> 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 <u>THE KROGER CO.</u> has knowingly made a false statement to the State or local political subdivision to obtain the Enterprise Zone incentives, <u>THE KROGER CO.</u> shall be required to immediately return all benefits received under the Enterprise Zone Agreement pursuant to ORC Section 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 ORC Section 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 ORC 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 months.

16. This agreement is not transferrable or assignable without the express, written approval of <u>CITY OF NEWARK & LICKING COUNTY</u>.

REMAINDER INTENTIONALLY LEFT BLANK EXECUTION PAGE TO FOLLOW

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| IN WITNESS WHEREOF, the following have caused this instrument to be executed on the date |
|--|
| so indicated: LICKING COUNTY, by its Board of County Commissioners, pursuant to |
| Commissioners' Resolution Number on theday o |
| ,; the CITY OF NEWARK, by its COUNCIL, pursuant to Resolution |
| Numberon theday of,; and THE |
| KROGER CO., by <u>RITA WILLIAMS</u> , its <u>DIRECTOR OF ECONOMIC DEVELOPMENT</u> or |
| theday of, |
| Approved as to legal form only: LICKING COUNTY Board of Licking County Commissioners |
| by |
| Licking County Prosecutor Commissioner |
| Commissioner |
| Commissioner |
| Approved as to form: CITY OF NEWARK, OH |
| Tricia Moore by Director of Law |
| its |
| THE KROGER CO. |
| by (<u>Rita Williams</u>) |
| its |

(Director of Economic Development)

EXHIBIT A

APPLICATION FOR ENTERPRISE ZONE ASSISTANCE

OHIO DEVELOPMENT SERVICES AGENCY OHIO ENTERPRISE ZONE PROGRAM

PROPOSED AGREEMENT for Enterprise Zone Tax Incentives between the _______
 Board of County

 Commissioners
 located in the County of _______
 and _______
 The Kroger Co.______

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

The Kroger Co. enterprise name

Jill Giles contact person

(513) 720-8594 telephone number

<u>1014 Vine Street, Cincinnati, OH 45202</u> address

1b. Project site:

Jill Giles contact person

(513) 720-8594 telephone number

1701 Tamarack Road, Newark, OH 43055 ______ address

2a. Nature of business (manufacturing, distribution, wholesale or other).

Manufacturing

2b. List primary 6 digit NAICS #

112120

- 2c. If a consolidation, what are the components of the consolidation? (must itemize the location, assets, and employment positions to be transferred)
 - <u>N/A</u>
- 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).

Rodney McMullen, CEO

- 4. Is business seasonal in nature? Yes____ No_X___
- 5a. State the enterprise's current employment level at the proposed project site:145
- 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):

145

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? <u>N/A</u>
- 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 <u>No X</u>
- 6b. If yes, list the local legislative authorities, date, and term of the incentives for each Enterprise Zone Agreement:
- 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 <u>X</u>____
 - 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 \underline{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).

<u>N/A</u>

8. Project Description (attach additional pages if necessary):

The Kroger Co. is proposing to build at Tamarack Farms Dairy an expansion of approximately 35,000 SF to install a state-of-the-art aseptic milk line capable of running the the following products:

Various sizes of Half & Half, Heavy Whipping Cream, Coffee Creamers, Carbmaster Milk Beverage, as well as PET bottles from 8oz to 64oz

- 9. Project will begin <u>Q3 2022</u> and be completed <u>Q2 2023</u> 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) <u>6 Full-time</u>
- 10b. State the time frame of this projected hiring: <u>3</u> years
- 10c. State proposed schedule for hiring (itemize by full and part-time and permanent and temporary employees): Year 1: 1; Year 2: 2; Year 3: 3
- 11a. Estimate the amount of annual payroll such new employees will add \$<u>300,000</u> (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: <u>\$9,327,254</u>
- Market value of the existing facility as determined for local property taxation.
 \$ 2,300,000
- Business's total current investment in the facility as of the proposal's submission.

 <u>0</u>
- 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: | \$ | \$ |
| B. Additions/New Construction: | <u>\$ 16,000,000</u> | \$ |
| C. Improvements to existing buildings: | <u>\$</u> | \$ |
| D. Machinery & Equipment: | <u>\$ 54,000,000</u> | \$ |
| E. Furniture & Fixtures: | \$ | \$ |
| F. Inventory: | <u>\$</u> | \$ |
| Total New Project Investment: | <u>\$ 70,000,000</u> | <u>\$</u> |

15. a. Business requests the following tax exemption incentives: <u>75</u> % for <u>10</u> years covering real property as described above. Be specific as to type of assets, rate, and term.

b. Business's reasons for requesting tax incentives (be quantitatively specific as possible):

This incentive is requested in order to maintain competitive balance and costeffectiveness. Our company is experiencing significant reductions in margins associated with our major clients. As such, our ability to expand and continue to remain a viable employer in Licking County is impacted. Several other locations, most prominently within the State of Texas, have presented us with incentive packages in an effort to secure the investment and job creation associated with this proposed project. Our ability to retain these job opportunities locally, and consolidate core functions, is dependent upon this incentive.

Submission of this application expressly authorizes (name of the local jurisdiction) and/of(name of 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.

The Kroger Co.

Name of Enterprise Creating Job Opportunities Date Associated with The Proposed Incentive

Pato L. Wallin

Signature

Rita Williams - Director, Economic Development Typed Name and Title

Name of Enterprise Associated with This Project Date

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 <u>must</u> 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.