




# CITY OF KENT, OHIO

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## DEPARTMENT OF ECONOMIC DEVELOPMENT

**Date:** November 19, 2012

**To:** David Ruller, City Manager  
Linda Jordan, Clerk of Council

**From:**  Dan Smith, Economic Development Director

**Subject:** Semi-annual EDA Revolving Loan Fund Certification

The EDA guidelines for compliance in administering our revolving loan fund require semi-annual certification. Our RLF 2 (EDA funded) requires both the RLF Committee and City Council to confirm that the City is operating the program in accordance to our plan and program guidelines. Given staff guidance and committee review that loan activities are being administered in accordance with RLF/EDA guidelines, the RLF committee is scheduled to approve certification at the November committee meeting. As before, City Council needs to do the same for us to be in compliance.

I am respectfully requesting time on the December 5 Council Committee agenda to seek approval for the semi-annual certification.

**A RESOLUTION CERTIFYING THAT THE CITY'S REVOLVING LOAN PLAN IS CONSISTENT WITH AND SUPPORTIVE OF THE AREA'S ECONOMIC DEVELOPMENT ADJUSTMENT STRATEGY AND IS BEING OPERATED IN ACCORDANCE WITH THE POLICIES AND PROCEDURES CONTAINED IN THE REVOLVING LOAN PLAN AND THAT THE LOAN PORTFOLIO MEETS THE STANDARDS CONTAINED WITHIN SAID PLAN AND DECLARING AN EMERGENCY.**




# CITY OF KENT, OHIO

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## DEPARTMENT OF ECONOMIC DEVELOPMENT

**Date:** November 19, 2012

**To:** David Ruller, City Manager  
Jim Silver, Law Director  
Gene Roberts, Service Director

**From:**  Dan Smith, Economic Development Director

**Subject:** 311 N. Mantua Street, Parcel 17-025-10-00-059-000  
DKC Transfer to City Ownership

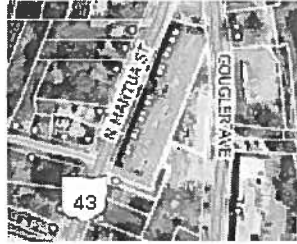
Earlier this year we were reviewing the remaining Downtown Kent Corporation properties with Howard Boyle. There are four properties currently being land banked under DKC ownership. Three remain useful for future development. One parcel, 311 N. Mantua Street, has been carved up by the adjacent condo project and now consists of a road and future site for a proposed parking lot (see attachment).

Since this parcel is no longer a suitable to be marketed for development (a non-build-able site), I recommend the DKC transfer it to City ownership and make it a tax exempt parcel. I respectfully request time at the December 5 Council Committee meeting to seek approval to transfer parcel 17-025-10-00-059-000 into City ownership.

# Data For Parcel 17-025-10-00-059-000

## Base Data

**Parcel:** 17-025-10-00-059-000  
**Owner:** KENT DOWNTOWN URBAN REDEVELOPMENT CORP  
**Address:** 311 MANTUA



[+] Map this property.

## Tax Mailing Address

**Tax Mailing Name:** KENT DOWNTOWN COMMUNITY  
**Address:** 142 N WATER ST  
**City State Zip:** KENT OH 44240

## Owner Address

**Owner Name:** KENT DOWNTOWN URBAN  
**Address:** 142 N WATER STREET  
**City State Zip:** KENT OH 44240

## Geographic

**City:** KENT CITY  
**Township:**  
**School District:** KENT C.S.D.

## Legal

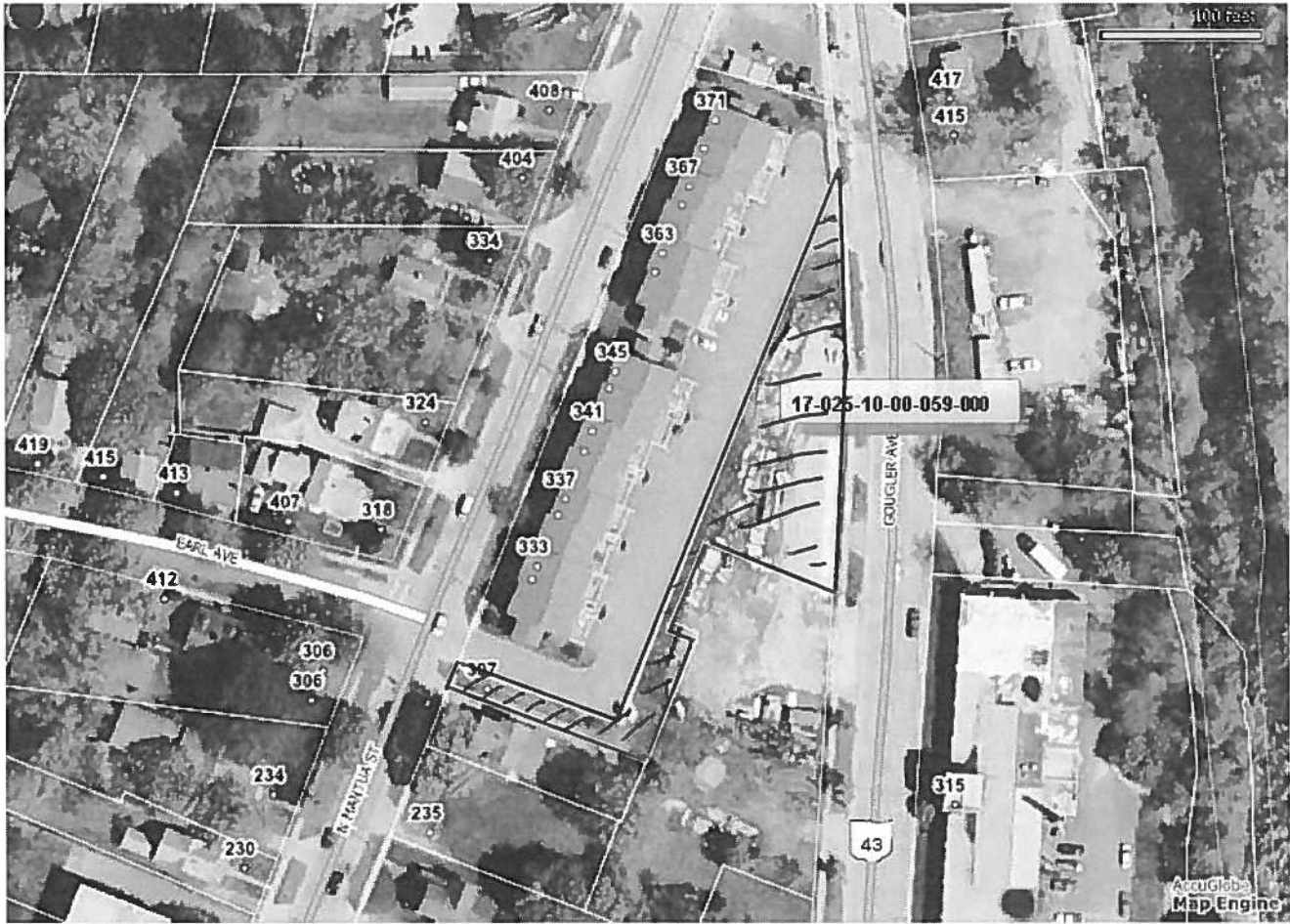
<b>Legal Acres:</b>	0.409	<b>Homestead Reduction:</b>	NO
<b>Legal Description:</b>	E & U LOT 25 & 30	<b>2.5% Reduction</b>	NO
<b>Land Use:</b>	400 - COMMERCIAL - VACANT LAND	<b>Foreclosure:</b>	NO
<b>Neighborhood:</b>	23007	<b>Board of Revision:</b>	NO
<b>Number Of Cards:</b>	0	<b>New Construction:</b>	NO
<b>Annual Tax (Does not include delinquencies.):</b>	\$2,155.56	<b>Divided Property:</b>	NO
<b>Map Number:</b>		<b>Routing Number:</b>	

Report Discrepancy

GIS parcel shapefile last updated 11/18/2012 11:05:02 PM.  
 CAMA database last updated 11/19/2012 3:45:45 AM.

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### Portage County GIS



Notes



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INTEROFFICE MEMORANDUM

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**TO:** Dave Ruller, City Manager

**FROM:** David Coffee, Director of Budget and Finance

**SUBJECT:** City Fund Balance Policy

**DATE:** 11/26/2012

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I am respectfully requesting City Council Committee agenda time at the December 5, 2012 meeting for the purpose of presenting the attached proposed City Fund Balance Policy. If acceptable to Council, I would ask for their formal approval and adoption of this policy.

It should be noted that the key Policy metrics are based on "budgeted operating expenditures". To illustrate the effect of this policy we can reference the budget for FY2013 and come to a total of \$17,500,000 for this item (budgeted operating expenditure). Using the 25% fund balance threshold for Undesignated Operating Fund Balance combined with the Managed Reserve we would need to maintain at minimum a \$4,375,000 combined total. With the current \$2,221,400 Managed Reserve balance, that would leave a required minimum balance for the Undesignated Operating Fund of \$2,153,600 to avoid declaration of a Fund Balance Emergency. I would note that the 25% threshold is in excess of the generally held standard of 5% to 15% that most rating agencies would look for, although broken down the Managed Reserve is actually 12.7% and the Undesignated Operating Fund is 12.3% of the annual budgeted total.

Furthermore, in recognition of the super majority it takes to access Managed Reserve and to shore up the trigger level for Council/Admin action, I added the early warning threshold of 17% for just the Undesignated Operating Fund Balance. That currently calculates to a minimum balance of \$2,975,000 for the five funds that comprise this number (excluding the Capital Fund). For reference, I am currently anticipating this number to be approximately \$7,000,000 by year end 2012. By extension, that should give us at least another 3 years before reaching the minimum level at the current annual gap rate.

Should you desire any additional detail concerning this proposed policy, please do not hesitate to let me know and I will be happy to provide whatever I can.

Thank you in advance for your time and assistance in this matter.



**FUND BALANCE POLICY  
OF THE  
CITY OF KENT, OHIO**



## **City of Kent Fund Balance Policy**

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### **Introduction**

The fiscal well-being and integrity of our City government is of vital importance. A written and adopted Fund Balance Policy advances that basic tenet and provides numerous related benefits such as assisting the Council and Administration in the financial management of the City, saving time and energy when discussing financial matters, engendering public confidence, and providing continuity over time as Council and staff changes occur.

The Kent City Council recognizes the significance of maintaining an appropriate level of fund balance as a proactive approach to sound financial management of taxpayer dollars; and, therefore, formally adopts the guidelines set forth in this document and establishes this policy.

### **Purpose and Scope**

The purpose of this policy is to establish guidelines regarding the use of fund balance and the maintenance of adequate financial reserves that will help protect the fiscal health and stability of the City of Kent. The policy sets forth the levels of fund balance deemed appropriate for City operations along with the protocol for maintenance of those established levels and its use if needed. It will assist all concerned parties in understanding the City's approach to fund balance maintenance.

The Fund Balance Policy serves as a benchmark, or frame of reference, against which both current and future decisions related to City funding and use of unrestricted cash balances should be compared.

Since the guidelines contained in the Fund Balance Policy will likely require periodic updating in order to maintain relevance and to respond to changes inherent in the capital markets, the City plans to revisit the Fund Balance Policy from time to time.

The Fund Balance Policy will serve to ensure that the City maintains adequate fund balances, and therefore its available reserves, in its major operating funds so that it has the capacity to:

- Provide sufficient cash flow for daily financial needs.
- Secure and maintain an investment grade bond rating which in turn results in reduced interest costs associated with new debt issues.
- Offset significant economic downturns and revenue shortfalls.
- Maintain a prudent level of financial resources to protect against forced reductions in services and/or tax and fee increases due to temporary shortfalls or unexpected one-time expenditures.
- Provide funds for unforeseen expenditures related to emergencies.

## **Definitions**

- 1. Fund Balance:** The cumulative difference of all revenues and expenditures, in the context of this policy, that are in major operating funds. It serves as a measure of financial resources available for current operations. It is divided into two components: Reserved and Unreserved.
  - A. Reserved Fund Balance:** The portions of fund balance that are either legally restricted to a specific future use or are otherwise not available for general operating appropriation or expenditure. They are earmarked for a special purpose and can only be spent for those specific purposes.
    - a) **Reserve for Encumbrances:** These funds are appropriated and encumbered balances for outstanding purchase orders, contracts, and other commitments for which goods and services have been ordered by the City, but the goods or services have not yet been received and/or paid in full.
  - B. Unreserved Fund Balance:** The portions of fund balance available for major operating fund appropriate expenditures. These amounts can be used for the subsequent year's budget. It is divided into two components: Designated and Undesignated.
    - a) **Designated Fund Balance:** The portion of unreserved fund balance that reflects the City's self-imposed limitations on the use of funds otherwise available for spending - set aside by the City for some future action. Designations are non-binding; and although earmarked for other purposes, these funds are available if needed, to appropriate for other uses.
    - b) **Undesignated Fund Balance:** The portion of unreserved fund balance that has not been reserved or designated for other uses; therefore, it is available to spend in current or future periods. This term is also commonly used to reference the uncommitted portion of the City's six combined major operating funds: General Fund, SCMR Fund, Income Tax Fund, Income Tax Safety Fund, Fire and EMS Fund, and Capital Fund.
    - c) **Undesignated Operating Fund Balance:** This is defined the same as Undesignated Fund Balance except that it specifically excludes Capital Fund balances.



**2. Operating Expenditures:** The uses of financial resources for personnel, supplies, services and materials, excluding capital expenses, debt service and internal transfers.

**3. Shortfall:** The amount by which expenditures exceed revenues for a specific fund, group of funds, or designated use.

### **Managed Reserve Account - Unreserved Designated Fund Balance**

The City has provided in its codified ordinances from a long-standing Ordinance passed in 1988 (Ordinance 1988-12) a Managed Reserve Account. No funds have to this day been taken from this account, and through interest credited to this fund each year it has grown to a balance of more than \$2.2 million dollars as of 2012. Monies spent from this fund can only be spent via a supermajority affirmative vote of at least 7 Council members.

This account was established and is maintained so that the City can better withstand downturns in economic conditions or significant unanticipated emergency expenditures and thereby ensure the delivery of public services in the most consistent manner possible.

### **Policy**

The City Council of the City of Kent desires to maintain a prudent level of financial resources to guard its citizens against disruption of services in the event the City experiences unexpected short-term revenue shortfalls or unanticipated one-time expenditures. The Fund Balance has been accumulated to meet this purpose, providing stability and flexibility to respond to financial adversity or strategic opportunities. The long-term plan is to maintain a rolling Undesignated Operating Fund Balance combined with the Managed Reserve Account (discussed below) that will be no less than a minimum 25% of current budgeted operating expenditures. Operating expenditures are deemed to be non-capital expenditures from the General Fund, Street Construction Maintenance and Repair (SCMR) Fund, Income Tax Fund, Income Tax Safety Fund, and Fire and EMS fund.

The decision to retain an Undesignated Operating Fund Balance minimum of 25% of current budgeted operating expenditures stems from the following considerations:

- This amount provides adequate funding to cover approximately three months of operating expenses.
- It provides the liquidity necessary to accommodate the City's uneven cash flow, which is inherent in its periodic tax collection schedule.
- It provides the liquidity to respond to contingent liabilities.

In the event the Undesignated Operating Fund Balance in combination with the Managed Reserve Account exceeds 25% of annual operating expenditures and other financing uses (transfers out), the amount exceeding this percentage may be available for appropriation at the

discretion of the Director of Budget and Finance and/or the City Manager with the approval of City Council. Any appropriations from the Undesignated Operating Fund Balance that will take the combined balances below the minimum 25% threshold requires special notification to that effect by City Administration at the time Council consideration is requested (i.e. declaration of a Fund Balance Emergency), along with the usual approval of the Kent City Council.

Additionally, in order to provide a cautionary warning of an approaching Fund Balance Emergency and to initiate any corrective actions that may help to avoid going below the 25% Fund Balance threshold, City Administration will apprise City Council upon reaching an Undesignated Operating Fund Balance (does not include Managed Reserve Account) that is 17% or less of annual operating expenditures. City Council notification will be provided this notification in writing as early as practical upon determination of such status.

### **Goals**

This policy establishes criteria to determine minimum designations of an appropriate Fund Balance level. It is the City's goal to fund the designations at least at their minimum levels; however, there could be times when there are not enough funds available to meet these minimum levels.

#### **1. Minimum Reserve Requirements**

In the event funds are not available to meet established minimum required balances, a plan should be introduced to outline actions that will restore the City's ability to once again meet the minimum fund balances. The Undesignated Operating Fund Balance minimums take priority over any designations and should be established first before meeting any other designations. The plan to replenish any Undesignated Operating Fund Balance to its minimum level should be achieved by adding a designated amount to the budget surplus for that fund to cover the deficiency over a period of time, not to exceed five (5) years.

#### **2. Utilization of Minimum Reserves**

Any appropriations from the Undesignated Operating Fund Balance that will take the fund balance below the minimum 25% threshold will require specific recognition and approval of such, pursuant to the City Administration's special notification at the time of its request for appropriation, in addition to the usual approval of the Kent City Council. Appropriations shall not be used for ongoing expenditures unless a viable revenue plan and/or expenditure reduction plan that establishes fund balance sustainability is also adopted.

#### **3. Replenishment of Minimum Reserve Deficits**

If at the end of the fiscal year, it is anticipated that the projected or estimated amount of the Undesignated Operating Fund Balance will be less than the minimum requirement, then the City Manager and Director of Budget and Finance shall prepare and submit

in conjunction with the proposed budget, a plan for the expenditure reductions and/or revenue increases necessary to restore the minimum requirements in the subsequent budget year or other appropriate period as outlined under the Minimum Reserve Requirements.

#### **4. Application to City's Other Major Funds**

The Kent City Council recognizes the importance of applying the objective of the Fund Balance Policy to certain other major funds of the City. Consequently, it further establishes a minimum Undesignated Operating Fund Balance threshold for the Water Fund and Sewer Fund to be applied independently to each fund. The Undesignated Operating Fund Balance for these major city funds at the end of each fiscal year should be maintained at no less than 25% of the annual operating expenditures and other financing uses, respectively for each fund.

#### **Monitoring and Reporting**

The Fund Balance Policy is a guideline and intended to provide for adequate cash balances to ensure that the City meets its current and future cash flow obligations, maximizes earnings on investments, minimizes borrowing costs and maintains the highest credit rating on its bonds.

The Fund Balance Policy should serve as a cornerstone for other budgetary and financial decisions. This policy should be reviewed as part of our annual budgetary process to examine the effectiveness of the current policy and to make recommendations for any modifications that would be prudent. It will also ensure that the policy remains current with general accounting and finance best practices as well as any regulatory or standards changes that may emerge over time. At any time, the Director of Budget and Finance may consider amendments, deletions, additions, improvements, or clarifications to the policy.

The key component of the Fund Balance Policy is to develop and apply the fiscal disciplines that should be strictly followed. Sound fiscal management practices will be required to ensure that fund balances are maintained and properly used.



# CITY OF KENT, OHIO

## DEPARTMENT OF FINANCE

**To:** Dave Ruller, City Manager

**From:** David A. Coffee, Director of Budget and Finance

**Date:** November 30, 2012

**Re:** Final FY2012 Appropriation Amendments, Transfers, and Advances

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**The following appropriation amendments are hereby requested:**

**Fund 126 – Community Development Block Grant (CDBG)**

Increase     \$    50,000     Community Development / All Other – This is the portion of CDBG Program Year (PY) 2012 funding required to complete FY 2012. Previously authorized for appropriation by KCC, Ord. 2012-50, dated 5/16/12 - being listed to coincide with Appropriation Amendment Exhibit to be presented for 12/19/12 Council action.

**Fund 204 – Utility Billing**

Increase     \$     4,500     Utility Billing-Budget & Finance / All Other - Addtl funding to cover increased postage expenses for statement rendering and customer correspondence.

**Fund 208 – Storm Water**

Increase     \$    40,000     Capital Facilities / Per C. Finney & J. Bowling 11/19/12 memo concerning emergency repair to River Street Storm Sewer Outfall that failed unexpectedly

**The final appropriations amendment will reflect the remaining operating contingency funds as a separate item on the appropriations ordinance attachment. This will enable the transfer of contingency funds to either operating or personnel lines as needed.**

**I will continue to work with the Departments/Divisions during the next two weeks to resolve remaining or anticipated negative budget variances and would also request favorable consideration of any additional items that may be subsequently identified.**



# CITY OF KENT, OHIO

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## DEPARTMENT OF COMMUNITY DEVELOPMENT

DATE: November 29, 2012  
TO: Dave Ruller, City Manager  
FROM: Bridget Susel, Community Development Director *B.S.*  
RE: Proposed Changes to Building Department Fees

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Please find attached proposed changes to the "Schedule of Fees" for building permits, zoning permits, and miscellaneous building fees, including plan review fees, re-inspection fees and contractor registration fees. The proposed "Schedule of Fees" also includes fees for plan review and fire safety related inspections conducted by Fire Department personnel, which has not been included in prior fee schedules.

The proposed changes were developed through a comparative analysis of the fees charged in surrounding communities, including Ravenna, Streetsboro, Stow, Portage and Summit Counties. A chart depicting the comparative data that was used to develop the proposed changes to the fees structure has been included for reference purposes. The chart compares the City's current building fees for residential, commercial and multi-family projects, to fees charged for similar projects in other communities. The comparative analysis also lists the Community Development staff recommended changes to the fees charged for the various project categories.

The proposed "Schedule of Fees" incorporates some special exemptions for residents who are 65 years of age or older and for disable persons who are completing needed repairs or modifications to owner-occupied structures. The schedule also includes reduced rates for residents completing needed electrical, HVAC and/or water heater repairs to owner-occupied units.

I am respectfully requesting time at the December 5, 2012 Council Committee session to discuss the proposed changes to the Building Department's "Schedule of Fees" and to answer any questions concerning the proposed changes.

Thank you for your consideration of this request. If you require any additional information in order to add this item to the Council Committee schedule, please let me know.

Cc: Linda Jordan, Clerk of Council  
Jim Silver, Law Director  
Dave Manthey, Fire Chief/Rich Lynn, Lieutenant, Fire Department

# City of Kent Community Comparison 2012

Building Fees	New Residential	Existing Residential	New Commercial & Multi-Dwelling		Existing Commercial	New Multi-Family
	3,000 s.f., 3bd, 2 bth, 2 car	Add 252 s.f. bd & bath	6,000 s.f.		Add 1,500 s.f. storage	See Commercial for new fees
<b>Kent (current)</b>	<b>190.00</b>	<b>37.00</b>	<b>400.00</b>	<b>125.00</b>	<b>600.00</b>	
Summit County	425.00	62.60	425.00	150.00	425.00	
Portage County	205.00	70.00	535.00	265.00	535.00	
Ravenna	325.00	50.00	560.00	235.00	930.00	
Stow	450.00	107.60	1,020.00	345.00	1,020.00	
Streetsboro	450.00	107.00	683.00	105.00	814.00	
Average w/o Kent	<b>371.00</b>	<b>79.44</b>	<b>644.60</b>	<b>220.00</b>	<b>744.80</b>	
<b>Kent Proposed</b>	<b>250.00</b>	<b>62.60</b>	<b>750.00</b>	<b>250.00</b>		
	\$100 base + .05	\$50 base + .05	\$150 base + .10	\$100 base + .10	Same as new commercial	

Electrical Fees	New Residential	Existing Residential	New Commercial & Multi-Dwelling		Existing Commercial	New Multi-Family
	3,000 s.f., 3bd, 2 bth, 2 car	Add 252 s.f. bd & bath	6,000 s.f.		Add 1,500 s.f. storage	See Commercial for new fees
<b>Kent (current)</b>	<b>50.00</b>	<b>25.00</b>	<b>55.00</b>	<b>60.00</b>	<b>300.00</b>	
Summit County	155.00	53.78	285.00	127.50	285.00	
Portage County	160.00	52.00	270.00	112.00	270.00	
Ravenna	135.00	55.00	380.00	245.00	60.00	
Stow	190.00	37.60	420.00	195.00	420.00	
Streetsboro	140.00	60.00	480.00	180.00	480.00	
Average w/o Kent	<b>156.00</b>	<b>51.68</b>	<b>367.00</b>	<b>171.90</b>	<b>303.00</b>	
<b>Kent Proposed</b>	<b>100.00</b>	<b>50.00</b>	<b>400.00</b>	<b>175.00</b>		
	Flat fee	Flat fee	\$150 base + .05	\$100 base + .05	Same as new commercial	

## City of Kent Community Comparison 2012

HVAC Fees	New Residential	Existing Residential	New Commercial & Multi-Dwelling	Existing Commercial	New Multi-Family
	3,000 s.f., 3bd, 2 bth, 2 car	Add 252 s.f. bd & bath			
<b>Kent (current)</b>	<b>50.00</b>	<b>20.00</b>	<b>390.00</b>	<b>65.00</b>	<b>300.00</b>
Summit County	155.00	54.41	285.00	127.50	285.00
Portage County	160.00	52.00	270.00	112.00	270.00
Ravenna	80.00	50.00	260.00	140.00	360.00
Stow	165.00	37.60	420.00	195.00	420.00
Streetsboro	130.00	30.00	330.00	480.00	330.00
Average w/o Kent	<b>138.00</b>	<b>44.80</b>	<b>313.00</b>	<b>210.90</b>	<b>333.00</b>
Kent Proposed	<b>100.00</b>	<b>50.00</b>	<b>400.00</b>	<b>175.00</b>	
	Flat fee	Flat fee	\$150 base + .05	\$100 base + .05	Same as new commercial

Plumbing Fees	New Residential	Existing Residential	New Commercial & Multi-Dwelling	Existing Commercial	New Multi-Family
	3,000 s.f., 3bd, 2 bth, 2 car	Add 252 s.f. bd & bath			
<b>Kent (current)</b>	<b>50.00</b>	<b>47.00</b>	<b>50.00</b>	<b>n/a</b>	<b>300.00</b>
Summit County	158.00	62.00	235.00	n/a	420.00
Portage County	169.00	74.00	324.00	n/a	696.00
Ravenna	128.00	72.00	552.00	n/a	672.00
Stow (5)	190.00	37.60	420.00	n/a	420.00
Streetsboro	140.00	60.00	480.00	n/a	480.00
Average w/o Kent	<b>157.00</b>	<b>61.12</b>	<b>402.20</b>		<b>537.60</b>
Kent Proposed	<b>100.00</b>	<b>50.00</b>	<b>400.00</b>		
	Flat fee	Flat fee	\$150 base + .05	\$100 base + .05	Same as new commercial

# City of Kent Community Comparison 2012

Totals	New Residential		Existing Residential		New Commercial & Multi-Dwelling		Existing Commercial		New Multi-Family	
	Total		Total		Total		Total		Total	
<b>Kent (current)</b>	<b>340.00</b>		<b>129.00</b>		<b>895.00</b>		<b>250.00</b>		<b>1,500.00</b>	
Summit County	893.00		232.79		1,230.00		405.00		1,415.00	
Portage County	694.00		248.00		1,399.00		489.00		1,771.00	
Ravenna	668.00		227.00		1,752.00		620.00		2,022.00	
Stow (5)	995.00		220.40		2,280.00		735.00		2,280.00	
Streetsboro	860.00		257.00		1,973.00		765.00		1,395.00	
Average w/o Kent	<b>822.00</b>		<b>237.04</b>		<b>1,726.80</b>		<b>602.80</b>		<b>1,776.60</b>	
Kent Proposed	550.00		212.60		1,950.00		600.00		Same as new commercial	

Totals	New Residential		Existing Residential		New Commercial		Existing Commercial		New Multi-Dwelling	
	Total		Total		Total		Total		Total	
<b>Kent (current)</b>	<b>25.00</b>		<b>25.00</b>		<b>25.00</b>		<b>25.00</b>		<b>25.00</b>	
Summit County	35.00		35.00		50.00		50.00		50.00	
Portage County	40.00		40.00		60.00		60.00		60.00	
Ravenna	55.00		55.00		200.00		200.00		200.00	
Stow (4)	35.00		35.00		125.00		125.00		125.00	
Streetsboro	60.00		60.00		150.00		150.00		150.00	
Average w/o Kent	<b>45.00</b>		<b>45.00</b>		<b>117.00</b>		<b>117.00</b>		<b>117.00</b>	
Kent Proposed	35.00		35.00		50.00		50.00		50.00	
	Flat Fee		Flat Fee		Flat Fee		Flat Fee		Flat Fee (per service)	



# City of Kent Community Comparison 2012

	New Residential	Existing Residential Replace Furnace	New Commercial	Existing Commercial Replace Furnace	Existing Multi-Dwelling Replace Furnace
<b>Kent (current)</b>		<b>30.00</b>		<b>50.00</b>	<b>20.00</b>
Summit County		35.00		65.00	65.00
Portage County		40.00		60.00	60.00
Ravenna		50.00		50.00	50.00
Stow (4)		35.00		125.00	125.00
Streetsboro		30.00		75.00	75.00
<b>Average w/o Kent</b>		<b>38.00</b>		<b>75.00</b>	<b>75.00</b>
<b>Kent Proposed</b>		<b>35.00</b>		<b>100.00</b>	<b>50.00</b>
		Flat fee		Flat fee	Flat fee (per dwelling unit)

	New Residential	Existing Residential deck 10' X 12'	New Commercial	Existing Commercial deck 10' X 12'
<b>Kent (current)</b>		<b>50.00</b>		<b>56.00</b>
Summit County		50.00		130.00
Portage County		40.00		187.00
Ravenna		50.00		50.00
Stow		50.00		138.00
Streetsboro		30.00		40.00
<b>Average w/o Kent</b>		<b>44.00</b>		<b>109.00</b>
<b>Kent Proposed</b>		<b>50.00</b>		<b>112.00</b>
		Flat fee		Flat fee

# City of Kent Community Comparison 2012

	Residential Demo 1,500 s.f. house	Residential Demo 400 s.f. garage	Commercial Demo 200,000 s.f., 2 story	Commercial Demo 28,800 s.f., 6 story	Commercial Demo 1,500 s.f., 1 story
<b>Kent (current)</b>	<b>30.00</b>	<b>10.00</b>	<b>4000.00</b>	<b>576.00</b>	<b>30.00</b>
Summit County	90.00	90.00	125.00	125.00	125.00
Portage County	40.00	40.00	150.00	150.00	150.00
Ravenna	50.00	15.00	150.00	150.00	150.00
Stow (4)	50.00	50.00	50.00	50.00	50.00
Streetsboro	50.00	50.00	2,000.00	100.00	100.00
Average w/o Kent	<b>56.00</b>	<b>49.00</b>	<b>495.00</b>	<b>115.00</b>	<b>115.00</b>
<b>Kent Proposed</b>	<b>50.00</b>	<b>25.00</b>	<b>200.00</b>	<b>200.00</b>	<b>200.00</b>
	Flat fee	Flat fee	Flat fee	Flat fee	Flat fee

### Plans Examination Fees

<b>Kent (current)</b>	<b>\$80 per hour for structural, 2nd resubmittal \$50 per hour; \$65 per hour for trades</b>
Summit County	\$200 min. + \$.04 per square foot. 2nd resubmittal and subsequent submittals are \$70 each
Portage County	\$175 base fee + \$75 per hour
Ravenna	Residential: \$100 Commercial: \$100 + 1% of engineer's cost estimate
Stow	Based on project value. 0-\$100 = \$100 fee up to \$350 base fee + \$100 per additional \$100,000.
Streetsboro	\$75 per hour with \$100 min. Express review: \$300 base + \$150 per hour.

### Zoning Application Fees

<b>Kent (current)</b>	<b>\$80 per hour for structural, 2nd resubmittal \$50 per hour; \$65 per hour for trades</b>
Summit County	\$.03/s.f. + \$75/trade
Portage County	\$65 - 500
Ravenna	\$100
Stow	\$200 + \$100/100,000 - based on project value
Streetsboro	\$100 - \$500

- (4) Residential replacement based on value \$35 for < \$5,000 + \$5 per \$1,000
- (5) Plumbing permits are obtained through Summit County

## Proposed Building Department Fees

### New Construction (starting with clear lot)

#### Residential (1, 2, & 3 family structures) - Fee is per residential unit

building	\$100 + .05/s.f.
electric	\$100 flat fee
electric temporary service	\$25 additional for temporary
HVAC	\$100 flat fee
plumbing	\$100 flat fee
Demolition/Moving - House	n/a
Demolition/Moving - accessory bldg	n/a
Zoning	\$75 flat fee

#### Commercial (non-residential) - Fee is per structure

building	\$150 + .10/s.f.
electric	\$150 + .05/s.f.
electric temporary service	\$25 additional for temporary
HVAC	\$150 + .05/s.f.
plumbing	\$150 + .05/s.f.
suppression systems	\$150 + .05/s.f.
suppression equipment	\$100 each
Demolition/Moving	n/a
Zoning	\$150 + .03/s.f.

#### Commercial Residential (multi-family/rooming house) - Fee is per residential unit

building	\$150/residential unit + .10/s.f.
electric	\$150/residential unit + .05/s.f.
electric temporary service	\$25 additional for temporary
HVAC	\$150/residential unit + .05/s.f.
plumbing	\$150/residential unit + .05/s.f.
suppression systems	\$150/residential unit + .05/s.f.
suppression equipment	\$100 each
Demolition/Moving	n/a
Zoning	\$150 + .03/s.f.

#### Re-inspection Fees - Reinspections not due to the normal progress of job - CBO's determination.

Residential	\$50/inspection
Commercial	\$100/inspection
Commercial Residential	\$100/dwelling unit/inspection

### Remodel/Repair (not outside existing footprint)

	\$50 flat fee
	\$50 flat fee
	n/a
	\$50 flat fee
	\$50 flat fee
	\$50/structure + engineering + bond
	\$25/structure
	n/a

	\$50 + .10/s.f.
	\$50 + .05/s.f.
	n/a
	\$50 + .05/s.f.
	\$50 + .05/s.f.
	\$50 + .05/s.f.
	\$100 each
	\$200/structure + engineering + bond
	n/a

	\$50/residential unit - flat fee
	\$50/residential unit - flat fee
	n/a
	\$50/residential unit - flat fee
	\$50/residential unit - flat fee
	\$50/residential unit - flat fee
	\$100 each
	\$200/structure + engineering + bond
	n/a

### Addition

	\$50 + .05/s.f.
	\$50 flat fee
	n/a
	\$50 flat fee
	\$50 flat fee
	n/a
	n/a
	\$25 flat fee

	\$100 + .10/s.f.
	\$100 + .05/s.f.
	n/a
	\$100 + .05/s.f.
	\$100 + .05/s.f.
	\$100 + .05/s.f.
	\$100 each
	n/a
	\$100 + .03/s.f.

	\$100/residential unit + .10/s.f.
	\$100/residential unit + .05/s.f.
	n/a
	\$100/residential unit + .05/s.f.
	\$100/residential unit + .05/s.f.
	\$100/residential unit + .05/s.f.
	\$100 each
	n/a
	\$100 + .03/s.f.

Special exemption for residents 65 years of age and older who live in owner-occupied, single-family structures:  
Permits are required but the fees shall be waived for permits for decks, porches, or other similar structures.

Special exemption and/or reduced fee for residents who live in owner-occupied, single-family structures:

Permits are required, but the fees shall be waived for ADA ramps.

\$35 Service/panel replacement permit

\$35 Water heater replacement permit

\$35 HVAC equipment replacement permit

Miscellaneous Building Fees

Plan Review <=3 \$75/hour

Plan Review >=4 \$250/hour

Commercial Signs/Awnings/Canopies \$50/each

Commercial Electric Service Permit \$50/each

Commercial HVAC Replacement \$50/each

Commercial Wtr Heater Replacement \$50/each

Penalty Fee 2 x scheduled fees

Miscellaneous Zoning Fees

Residential - fence, pool, acc. bldg. \$25/each

Change in use \$100

Commercial - permanent signs \$50/each

Commercial - temporary signs \$25/permit period

Contractor Registration Fees

Initial Registration \$100/trade

Renewal Registration (if rec'd by 3/31) \$50/trade

*Trades that require paid registration fees: Electrical, HVAC/Refrigeration,*

*Plumbing/Hydronics, Fire Suppression, and Fire Alarm*

Fire Department Fees

Plan Application Fee \$100/each

*(This fee is charged for each type of applicable Fire Department review or inspection: Planning Commission, Technical Plan, Building Permits, Fire Alarm Permits, Fire Sprinkler Permits, etc)*

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The need for adjustments to the "Schedule of Fees" will be evaluated annually and be based on the percentage of change in the "Building Costs Index" as reported on January 2nd of each year by the *Engineering News Record*. Increases to the fees schedule will only be considered when the Building Cost Index reports a percentage of change of 5% or more from the prior year's Building Costs Index, or when the percentage of change over multiple years equals an increase of 10% or more.



# CITY OF KENT, OHIO

## DEPARTMENT OF LAW

**TO: DAVE RULLER, CITY COUNCIL, MAYOR**  
**FROM: JAMES R. SILVER** *JRS*  
**DATE: OCTOBER 31, 2012**  
**RE: AMETEK, INC. LEASE FOR 627 LAKE STREET**

As you may or may not know, Ametek, Inc. has not been able to relocate all of its laboratory work to the new space. Consequently, the City needs to temporarily lease back to Ametek approximately 10,000 square feet of space in the old Ametek building at 627 Lake Street.

The proposed lease is fairly straight forward. We are only charging \$1.00 per month rent. However, Ametek pays all utilities, taxes, insurance, repairs and maintenance. It is basically a triple net lease. The City does offer to mow. We will not snow plow.

Once Ametek, Inc. has its new lab space ready, they will vacate 627 Lake Street property. Since the City does not currently have any other prospective tenants for the space, it makes sense to lease the 10,000 square foot to Ametek, Inc.

City staff recommends approval of the lease, with the emergency clause to take effect immediately.

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[Above Space For Recorder's Use Only]

**COMMERCIAL PROPERTY LEASE**

THIS LEASE, made as of \_\_\_\_\_, 2012 (the 'Effective Date') by and between the CITY OF KENT, OHIO, a municipal corporation, as "Lessor", with a mailing address of 215 East Summit Street, Kent, Ohio 44240, and AMETEK, INC., a Delaware corporation, as "Lessee", with a mailing address of 100 East Erie Street, Kent, Ohio 44240.

W I T N E S S E T H:

WHEREAS, Lessor and Lessee have entered into that certain Purchase Agreement, dated as of April 20, 2011, (collectively, the "Purchase Agreement"), pursuant to which Lessor agreed to purchase from Lessee certain real property, together with the buildings and improvements thereon, located at 627 Lake Street, Kent, Ohio and known as Permanent Parcel No. 17-031-21-00-081-000, being more fully described in Exhibit "A" attached hereto and incorporated herein by reference (the "Premises").

WHEREAS, Lessee would like to lease back 10,000 square feet of the premises and, Lessor has agreed to lease the Premises to Lessee, and Lessee has agreed to lease the Premises from Lessor, upon and subject to the terms, covenants and conditions set forth below.

NOW, THEREFORE, in consideration of the foregoing premises and the covenants set forth herein, Lessor and Lessee hereby agree as follows:

**SECTION I**  
**Demise of Leased Premises**

Lessor agrees to lease to Lessee and Lessee agrees to hire from Lessor, the Premises, upon and subject to the terms, covenants and conditions hereinafter set forth. Lessee accepts the Premises

in its "AS-IS" condition as of the date of commencement of the term without any representation or warranty of any kind by Lessor, including representations and warranties as to the condition, use, zoning or operation thereof, and Lessee shall be deemed to have waived any warranty of condition or habitability, suitability for occupancy, use or habitation, fitness for a particular purpose or merchantability, express or implied, related to the Premises.

## **SECTION II**

### **Term**

The space is leased for a term beginning on August 1, 2012, and ending at 11:59 P.M. on December 31, 2013. Lessee may terminate this Lease prior to the expiration of the term upon not less than thirty (30) days prior written notice to Lessor specifying the date of termination, provided that Lessee surrenders possession of the Premises to Lessor on the date of termination in accordance with this Lease.

## **SECTION III**

### **Rent**

The rent payable hereunder by Lessee (hereinafter referred to as "rent") consists of "fixed rent," in the amount of \$1.00, which shall be paid in one installment, in advance, on the first day of the term, together with all other amounts which Lessee is obligated to pay under this Lease (including, without limitation, all insurance premiums, utility charges, taxes, late fees, interest and other amounts) (all such amounts being collectively referred to as "additional rent").

## **SECTION IV**

### **Use and Occupancy**

Lessee shall be permitted to use and occupy the Premises as a laboratory, Lessee's current operations thereon and for no other purpose. Lessee covenants that it will use the Premises in a safe and reasonable manner and that no nuisance shall be permitted nor shall any waste be committed upon the Premises. Lessee further agrees that it shall not use the Premises for any purpose which is prohibited by public law, ordinance or governmental or municipal regulation or order.

## **SECTION V**

### **Place for Payment of Rent**

Lessee shall pay rent, including, without limitation, all additional rent as provided below, to Lessor at Lessor's above stated address, or at any other place as Lessor may designate in writing, without demand and without counterclaim, deduction, or setoff.

**SECTION VI**  
**Care and Repair of Premises**

(a) Lessee shall not commit any act of waste and shall take good care of the Premises and the fixtures and appurtenances on it, and shall, in the use and occupancy of the Premises, conform to all laws, orders, and regulations of the federal, state, and municipal governments or any of their departments. Lessee shall make all necessary maintenance, repairs and replacements to the Premises to keep and maintain the same in the same order, condition, repair as it is on the date of the Purchase Agreement.

(b) At the termination of this Lease, Lessee shall deliver the Premises to Lessor free of all personal property, trash and debris and in broom clean condition. Lessee shall also be responsible for winterization of the premises prior to their vacation of the premises, should there be no other tenants in the building at the time of vacation. This shall include draining and/or treating all water lines to preventing freezing of the pipes and fixtures within the entire building. Lessee may not remove fixtures or building systems, including HVAC systems, plumbing, electrical and lighting fixtures, without the advance consent of Lessor; provided, however, that Lessee may remove trade fixtures, including the following, without the advance consent of Lessor, so long as (i) they are not integral to the operation of the Premises and improvements on the Premises; (ii) the removal will not adversely effect the integrity and function of supporting structures; (iii) the materials removed are to be used in Lessee's other facilities and not sold for salvage; (iv) all gas lines are capped and water lines are drained or treated to prevent freezing, and the Premises are left in a safe and secure condition; and (v) Lessee uses commercially reasonable efforts to minimize any damage caused by the removal:

- ~~(i) Lab/test equipment;~~
- (ii) Specialized lab and life test power equipment (such as transformers and power supplies);
- (iii) Specialized HVAC for life test;
- ~~(iv) Back up diesel generator;~~
- ~~(v) Model shop equipment, tools, tooling;~~
- ~~(vi) Office and engineering supplies and equipment, furniture, storage shelving, cabinets;~~
- ~~(vii) IT/ phone equipment; and~~
- ~~(viii) Advertising, trade show booth materials.~~



All property of Lessee remaining on the Premises after the last day of the term of this Lease shall be conclusively deemed abandoned and may be removed by Lessor, and Lessee shall reimburse Lessor for the cost of the removal. Lessor may have any property left on the Premises stored at Lessee's risk and expense.

(c) During the term of this Lease, Lessee agrees to:

- (i) Provide proper written notice to Lessor of any damage or condemnation affecting any portion of the Premises;
- (ii) Deliver to Lessor promptly after receipt by Lessee copies of all notices of violations issued by any governmental authority with respect to the Premises; and
- (iii) Promptly advise Lessor of any litigation, arbitration or other judicial or other administrative proceeding which concerns or affects the Premises.

(d) During the term of this Lease, Lessee agrees that Lessee will not grant, create or assume or permit to be created any mortgage, lien, encumbrance, lease or covenant, condition, right of way or restriction upon the Premises.

(e) During the term of the Lease, Lessee agrees that it will indemnify Lessor and save Lessor and the holder of any mortgage on the Premises (the "Lessor's Mortgagee") harmless from and against any and all claims, actions, damages, liability and expenses in connection with loss or damage to property or injury or death to persons occurring in, on or about or arising out of, the Premises and adjacent sidewalks and loading platforms or areas, occasioned wholly or in part by any act or omission of Lessee, Lessee's agents, contractors, customers or employees.

(f) Lessee shall be responsible for and agrees to indemnify Lessor, protect and defend with counsel acceptable to Lessor, and hold Lessor harmless from and against any and all claims (including without limitation third party claims for personal injury or real or personal property damage), obligations, losses, actions, administrative proceedings (including informal proceedings), judgments, damages, punitive damages, penalties, fines, costs, expenses, liabilities including sums paid in settlement of claims), interest or losses, reasonable attorney fees (including any fees and expenses incurred in enforcing this indemnity), consultant fees, expert fees, claims of any kind or nature (including but not limited to claims involving strict or absolute liability in tort), claims arising from or in connection with any violation or alleged violation by Lessee of any Environmental Laws or governmental order, any and all costs, expenses, and actions necessary or appropriate to remedy any such violation or alleged violation, which may be imposed upon, incurred by or asserted against Lessor that arise directly or indirectly from or in connection with the presence, suspected presence,

release, or suspected release by Lessee of any Hazardous Materials whether into the air, soil, surface water or ground water at the Premises, or any violation by Lessee of Environmental Laws occurring during the term of this Lease. "Hazardous Materials" as used in this Lease, means any substance, material or waste defined as a pollutant or contaminant, or as a hazardous, toxic or dangerous substance, material or waste, under any Environmental Law, including, without limitation, petroleum, petroleum products, PCBs and asbestos. "Environmental Laws" as used in this Lease means all federal, state and local laws, statutes, ordinances, codes, regulations and other requirements respecting the environment, including but not limited to those respecting: (A) the generation, use, handling, processing, storage, treatment, transportation, or disposal of any solid or hazardous wastes, or any hazardous or toxic substances or materials; (B) pollution or contamination of land, air (including indoor air), or water (including groundwater); (C) emissions, spills, releases, or discharges of any substance onto or into the land, air (including indoor air), or water (including groundwater); (D) protection of wetlands; (E) aboveground or underground storage tanks; (F) air quality (including indoor air quality) or water quality (including groundwater quality); (G) protection of endangered species; and (H) damage to natural resources.

(g) The parties agree that Lessor shall not be liable for any damage to the personal property of Lessee located at the Premises, including, but not limited to, damage occurring by reason of failure to keep the Premises in repair, for any damage done or occasioned by or from fire, explosion, falling plaster, dampness, the electrical system, the heating, ventilating and air conditioning system, the plumbing and sewer system, in, above, upon or about the Premises nor for damages occasioned by water, snow or ice being upon or coming through the roof, trapdoor, walls, windows, doors or otherwise, nor for any damage to or loss of personal property or other property arising from acts of negligence of persons in the improvements or buildings of the Premises, or the acts of any owner or occupants of adjoining or contiguous property, or from burglary, theft or otherwise.

## **SECTION VII** **Alterations, Additions or Improvements**

(a) Lessee shall not, without first obtaining the written consent of Lessor, make any alterations, additions or improvements in, to or about the Premises, and then shall make such alterations only by such contractors and mechanics as may be approved in writing by Lessor. Lessee shall make any such alterations, changes and improvements consented to by Lessor in a good and workmanlike manner, shall comply with all applicable laws and building regulations, and shall, prior to the making of said alterations, changes and improvements, reasonably assure Lessor that payment for the same will be made by Lessee.

**SECTION VIII**  
**Prohibition Against Activities Increasing Fire Insurance Rates**

Lessee shall not do or permit any activity on the Premises which will cause an increase in the rate of fire insurance on the Premises.

**SECTION IX**  
**Accumulation of Waste or Refuse Matter**

Lessee shall not permit the accumulation of waste or refuse matter on the Premises or anywhere in or near the Premises.

**SECTION X**  
**Abandonment**

Lessee shall not, without first obtaining the written consent of the Lessor, abandon the Premises, or allow the Premises to become vacant or deserted.

**SECTION XI**  
**Assignment or Sublease**

Lessee shall not, without first obtaining the written consent of the Lessor, assign, mortgage, pledge, or encumber this Lease, in whole or in part, or sublet the Premises or any part of the Premises. This covenant shall be binding upon the legal representatives of Lessee, and upon every person to whom Lessee's interest under this Lease passes by operation of law, but shall not apply to an assignment or subletting to the parent or subsidiary of a corporate Lessee or to a transfer of the leasehold interest occasioned by a consolidation or merger involving Lessee.

**SECTION XII**  
**Compliance with Rules and Regulations**

Lessee shall observe and comply with any rules and regulations which may exist, which are made part of this Lease, and with any further reasonable rules and regulations as Lessor may prescribe, on written notice to the Lessee, for the safety, care, and cleanliness of the Premises.

**SECTION XIII**  
**Heat**

Lessee agrees to pay for the heating of the Premises.

**SECTION XIV**

**Water**

Lessee agrees to pay for water charges as registered on the water meter and for sewer charges of the Premises.

**SECTION XV**

**Electricity and Other Utilities**

Lessee agrees to pay for electricity and all other utility charges of the Premises.

**SECTION XVI**

**Real Estate Taxes**

Lessee agrees to pay real estate taxes on the Premises.

**SECTION XVII**

**Casualty & Property Insurance**

Lessee agrees to maintain and pay for casualty and property insurance on the buildings and improvements on the Premises during the term of this Lease with the coverage, and in the form and amount that Lessee currently has in place. Such insurance shall be issued by an insurer reasonably acceptable to Lessor and include an endorsement naming Lessor as loss payee. Evidence of such insurance shall be provided to Lessor prior to the Effective Date and not less than ten (10) business days prior to the expiration of any policy.

**SECTION XVIII**

**Liability and Other Insurance**

Lessee agrees to maintain liability and other insurance on the Premises as set forth in Exhibit B attached hereto and incorporated herein by reference during the term of this Lease.

**SECTION XIX**

**Damages to Premises**

If the Premises are damaged by fire or any other cause, all insurance proceeds shall be paid to Lessor. To the extent that the cost of restoration, as reasonably estimated by Lessor, will equal or exceed ten percent (10%) of the replacement value thereof, exclusive of foundations, just prior to the occurrence of the damage, or if such damage cannot reasonably be repaired and restored within sixty (60) days prior to the expiration of the term of this Lease, then Lessor may, no later than the thirtieth

(30<sup>th</sup>) day following the damage, give Lessee a notice of election to terminate this Lease or make the repairs at Lessee's expense to the extent that the cost of restoration exceeds the amount of insurance proceeds received by Lessor, or if the cost of restoration will equal or exceed ten percent (10%) of the replacement value and if the Premises are not reasonably usable for the purposes for which they are leased under this Lease, then Lessee may, no later than the thirtieth (30<sup>th</sup>) day following the damage, give Lessor a notice of election to terminate this Lease. In event of either election, this Lease shall terminate on the thirtieth (30<sup>th</sup>) day after Lessor gives notice to Lessee, and Lessee shall surrender possession of the Premises within a reasonable time, and any additional rent shall be apportioned and paid as of the date of termination and any additional rent paid to Lessor for any period beyond that date shall be refunded to Lessee. The words "restoration" and "restore" as used in this Section XVI include repairs.

**SECTION XX**  
**Waivers of Subrogation**

Notwithstanding the provisions of Section VI of this Lease, in any event of loss or damage to the Premises and/or any improvements thereon or contents therein, each party shall look first to any insurance in its favor before making any claim against the other party; and, to the extent possible without additional cost, each party shall obtain, for each policy of insurance, provisions permitting waiver of any claim against the other party for loss or damage within the scope of the insurance, and each party, to the extent permitted, for itself and its insurers waives all insured claims against the other party.

**SECTION XXI**  
**Eminent Domain**

If the Premises or any part of the Premises or any estate in the Premises, or any other part of the building materially affecting Lessee's use of the Premises, is taken by eminent domain, this Lease shall terminate on the date when title vests pursuant to the taking. The additional rent, if any, shall be apportioned as of the termination date and any additional rent paid to Lessor for any period beyond that date shall be refunded to Lessee. Lessee shall not be entitled to any part of the award for the taking or any payment in lieu of payment, but Lessee may file a claim for any taking of trade fixtures and personal property owned by Lessee that Lessee is permitted to remove from the Premises upon the expiration or termination of this Lease as provided above, and for moving expenses.

**SECTION XXII**  
**Lessor's Remedies on Default**

If Lessee defaults in the payment of rent, or any additional rent, or defaults in the performance of any of the other covenants or conditions of this agreement, Lessor may give Lessee notice of the default. If Lessee does not cure any rent, or additional rent, default within thirty (30) days, or other default within thirty (30) days, after notice is given or if the other default is of a nature that it cannot be completely cured within that period, Lessee does not commence curing within thirty (30) days and thereafter proceed with reasonable diligence and in good faith to cure the default, then Lessor may terminate this Lease on not less than thirty (30) days' notice to Lessee. On the date specified in the notice the term of this Lease shall terminate and Lessee shall then quit and surrender the Premises to Lessor, but Lessee shall remain liable as provided in Section XXIII. If this Lease is terminated by Lessor, Lessor may at any time after termination resume possession of the Premises by any lawful means and remove Lessee or other occupants and its or their effect.

**SECTION XXIII**  
**Deficiency**

In any case where Lessor has recovered possession of the Premises by reason of Lessee's default, Lessor may, at Lessor's option, occupy the Premises or cause the Premises to be redecorated, altered, divided, consolidated with other adjoining premises, or otherwise changed or prepared for reletting, and may relet the Premises or any part of the Premises as agent of Lessee or otherwise, for a term or terms to expire prior to, at the same time as, or subsequent to, the original expiration date of this Lease, at Lessor's option, and receive the rent as agreed under the Lease. Any rent received shall be applied first to the payment of expenses Lessor may incur in connection with the recovery of possession, redecorating, altering, dividing, consolidating with other adjoining premises, or otherwise changing or preparing for reletting, and reletting, including brokerage and reasonable attorneys' fees, and then to the payment of damages in amounts equal to the rent under this agreement and to the cost and expenses of performance of the other covenants of Lessee as provided in this agreement. Lessee agrees, in the above described circumstances, whether or not Lessor has relet, to pay to Lessor damages equal to the rent and other sums agreed to, less the net proceeds of the reletting. The damages shall be payable by Lessee on the several rent days above specified. In reletting the Premises, Lessor may grant rent concessions, and Lessee shall not be credited with the concessions. No reletting shall constitute a surrender and acceptance or be deemed evidence of a surrender and acceptance. If Lessor elects, pursuant to this agreement, actually to occupy and use the Premises or any part of the Premises during any part of the balance of the term as originally fixed or since extended, there shall be allowed against Lessee's obligation for rent or damages as defined in this agreement, during the period of Lessor's occupancy, the reasonable value of the occupancy, not

to exceed in any event the rent reserved and the occupancy shall not be construed as a relief of Lessee's liability under this agreement.

Lessee waives all right of redemption to which Lessee or any person claiming under Lessee might be entitled by any law now or later in force. Lessor's remedies under this agreement are in addition to any remedy allowed by law.

#### **SECTION XXIV**

#### **Effect of Failure to Insist on Strict Compliance with Conditions**

The failure of either party to insist on strict performance of any covenant or condition of this agreement, or to exercise any option contained in this agreement, shall not be construed as a waiver of the covenant, condition, or option in any other instance. This Lease cannot be changed or terminated orally.

#### **SECTION XXV**

#### **Collection of Rent from any Occupant**

If the Premises are sublet or occupied by anyone other than Lessee and Lessee is in default under this agreement, or if this Lease is assigned by Lessee, Lessor may collect rent from the assignee, sublessee, or occupant, and apply the net amount collected to the rent reserved. The collection shall not be deemed a waiver of the covenant against assignment and subletting, or on acceptance of the assignee, sublessee, or occupant as lessee, or a release of Lessee from further performance of the covenants contained in this agreement.

#### **SECTION XXVI**

#### **Subordination of Lease**

This Lease shall be subject and subordinate to all underlying leases and to mortgages and trust deeds which now or subsequently affect the leases or the real property of which the Premises form a part, and also to all renewals, modifications, consolidations, and replacement of the underlying leases and the mortgages and trust deeds. Although no instrument or act on the part of Lessee shall be necessary to effectuate the subordination, Lessee will, nevertheless, execute and deliver instruments confirming the subordination of this Lease as may be desired by the holders of the mortgages and trust deeds or by any of the Lessors under the underlying leases. Lessee agrees to appoint Lessor attorney in fact, irrevocably, to execute and deliver any of the above described instrument for Lessee. If any underlying lease to which this Lease is subject terminates, Lessee shall, on timely request, attorn to the owner of the reversion.

**SECTION XXVII**  
**Security Deposit**

Lessee agrees to deposit with Lessor upon signing of this Lease the sum of \$1.00 as security for the performance of Lessee's obligations under this Lease, including without limitation the surrender of possession of the Premises to Lessor as provided in this agreement. If Lessor applies any part of the deposit to cure any default of Lessee, Lessee shall upon demand deposit with Lessor the amount applied so that Lessor shall have the full deposit on hand at all times during the term of this Lease.

**SECTION XXVIII**  
**Lessor's Right To Cure Lessee's Breach**

If Lessee breaches any covenant or condition of this Lease, Lessor may (but shall have no obligation), on reasonable notice to Lessee (except that no notice need be given in case of emergency), cure the breach at the expense of Lessee. The reasonable amount of all expenses, including attorneys' fees, incurred by Lessor in curing the breach, whether paid by Lessor or not, shall be deemed additional rent payable on demand. Any such payment not made on the next business day shall bear and accrue interest thereon at a rate equal to the prime commercial rate of Huntington Bank of Kent, Ohio (or its successor in interest) plus five percent (5%) from such date to the date payment is received by Lessor.

**SECTION XXIX**  
**Mechanics Lien**

Lessee shall within thirty (30) days after notice from Lessor discharge any liens for materials or labor claimed to have been furnished to the Premises on Lessee's behalf. Lessee hereby completely and fully indemnifies Lessor against all losses, costs, damages, injuries, fees and expenses (including, without limitation attorneys' fees) arising out of or in connection with any No mechanic's, materialmen's or laborer's liens or mortgages or other liens of any character or other lien or claims in connection with the making of any repairs, maintenance, replacements, alterations, changes and improvements to the Premises by or on behalf of Lessee. THE PARTIES EXPRESSLY ACKNOWLEDGE AND AGREE THAT LESSEE IS NOT THE AUTHORIZED AGENT OF LESSOR FOR PURPOSES OF CONTRACTING FOR ANY IMPROVEMENT TO REAL PROPERTY. LESSEE SHALL INCLUDE SUCH A STATEMENT IN EACH AND EVERY CONTRACT IT ENTERS INTO FOR ANY REPAIRS, MAINTENANCE, REPLACEMENTS, ALTERATION, ADDITION OR IMPROVEMENT. Lessee has no right to place nor shall Lessee permit to be placed any lien on the Premises. No mechanic's, materialmen's or laborer's liens or mortgages or other liens of any character whatsoever created or suffered by Lessee shall in any way



or to any extent affect the interest or rights of Lessor hereunder or its rights or interests in the Premises, or attach to Lessor's title to or rights in the Premises.

**SECTION XXX**  
**Notices**

A notice, demand, or other communication under this Lease by either party to the other shall be sufficiently given or delivered if it is dispatched by registered or certified mail, postage prepaid, return receipt requested, or delivered personally, and

- (a) in the case of Lessee, is addressed to or delivered personally to Lessee at:

AMETEK, Inc.  
Precision Motor Control- Technical and Industrial Products/Haydon Kerk  
100 East Erie Street  
Kent, Ohio 44240  
Attn: Matthew C. French  
Vice President, General Manager

with copies to:

AMETEK, Inc.  
1100 Cassatt Road  
Berwyn, Pennsylvania 19312  
Attn: Robert Feit, Senior Vice President and General Counsel

Saul Ewing LLP  
1200 Liberty Ridge Drive  
Suite 200  
Wayne, PA 19087  
Attention: Michael S. Burg, Esq.

- (b) in the case of Lessor, is addressed to or delivered personally to Lessor at:

City Manager  
Municipal Building  
215 E. Summit Street  
Kent, OH 44240

with a copy to the Law Director, at the same address.

or at such other address with respect to either such party as that party may from time to time, designate in writing and forward to the other as provided in this Section.

**SECTION XXXI**  
**Lessor's Right To Inspection, Repair, and Maintenance**

At all times during the term of this Lease, Lessor and its agents shall have access to the Premises for the purpose of making, at Lessor's cost and expense, surveys, soil tests, inspections and other investigations of the Premises, including, without limitation, a Phase 2 environmental site assessment and such other investigations and studies as Lessor shall require in connection with its grant application as described in Section 4(a) of the Purchase Agreement. Lessor agrees that any on-site inspections of the Premises shall be conducted upon at least twenty-four (24) hours' prior written notice to Lessee and in the presence of Lessee or its representative, if requested by Lessee. Such physical inspection shall not unreasonably interfere with the use of the Premises by Lessee. Lessor or its agents shall repair any damage it causes to the Premises. Lessor may also enter the Premises at any reasonable time, upon reasonable prior notice to Lessee (except that no notice need be given in case of emergency) to make repairs or replacements in, to, on and about the Premises or the improvements thereon, as Lessor deems necessary or desirable, but Lessor shall have no obligation to make any such repairs or replacements. Lessee shall have no claim or cause of action against Lessor by reason of entry for any of the purposes set forth in this Section except as provided in Section XXXVI of this Lease.

**SECTION XXXII**  
**Interruption of Services or Use**

Lessor shall have no obligation to provide utility services to the Premises or to maintain any utility lines or other facilities of or serving the Premises. In the event of interruption or curtailment of any utility or other service for the Premises, for any reason, including, without limitation, strikes, mechanical difficulties, Lessor shall not be liable to Lessee for any damages should the furnishing of such utilities be interrupted or required to be terminated by reason of governmental regulation or restrictions, or any other cause, nor shall any such interruption or cessation constitute a constructive eviction or relieve Lessee from the performance of any of Lessee's covenants, conditions and agreements under this Lease.

**SECTION XXXIII**  
**Conditions of Lessor's Liability**

Lessee may not claim a constructive eviction from the Premises unless Lessee has first notified Lessor in writing of the condition or conditions giving rise to the eviction, and, if the complaints are justified, unless Lessor fails within a reasonable time after receipt of notice to remedy

the conditions. No member, official or employee of Lessor shall be personally liable to Lessee, or any successor in interest of Lessee, in the event of any default by Lessor or for any amount which may become due to Lessee or its successor on any obligation under the terms of this Lease.

**SECTION XXXIV**  
**Lessor's Right To Show Premises**

Lessor may show the Premises to prospective purchasers and mortgagees to prospective Lessees, during business hours upon reasonable notice to Lessee.

**SECTION XXXV**  
**Effect of Other Representations**

No representations or promises shall be binding on the parties to this agreement except those representations and promises contained in this agreement or in some future writing signed by the party making the representations or promises.

**SECTION XXXVI**  
**Peaceful Enjoyment**

Lessor covenants that if, and for as long as Lessee pays the rent, and any additional rent as provided in this agreement, and performs the covenants of this Lease, Lessee shall peaceably and quietly have, hold, and enjoy the Premises for the term mentioned without any manner of hindrance from Lessor or any person or persons lawfully claiming the Premises through Lessor.

**SECTION XXXVII**  
**Lessee's Certification as to Force and Effect of Lease**

Lessee shall, from time to time, upon not less than thirty (30) days' prior written request by Lessor, execute, acknowledge, and deliver to Lessor a written statement certifying that the Lease is unmodified and in full force and effect, or that the Lease is in full force and effect as modified and listing the instruments of modification; the dates to which the rents and other charges have been paid; and, whether or not to the best of Lessee's knowledge Lessor is in default under this Lease and, if so, specifying the nature of the default, together with such other information as Lessor shall request. It is intended that any statement delivered according to this Section may be relied upon by a prospective purchaser of Lessor's interest or mortgagee of Lessor's interest or assignee of any mortgage upon Lessor's interest in the Premises.

**SECTION XXXVIII**  
**Waiver of Jury Trial**

To the extent permitted by law, the parties waive trial by jury in any action or proceeding brought in connection with this Lease or the Premises.

**SECTION XXXIX**  
**Section Headings**

The section headings in this Lease are intended for convenience only and shall not be taken into consideration in any construction or interpretation of this Lease or any of its provisions.

**SECTION XL**  
**Binding Effect on Successors and Assigns; Execution in Counterparts.**

The provisions of this Lease shall apply to, bind, and inure to the benefit of Lessor and Lessee and their respective heirs, successors, legal representatives, and assigns. In the event of a transfer or sale of the Premises by Lessor, or in the event of a transfer or sale of Lessor's interest as Lessor under this Lease, Lessor's successor or assign shall take subject to and be bound by this Lease and acknowledge responsibility for deposits and refund of same and, in such event, Lessee covenants and agrees that: (i) Lessor shall be released from all obligations of Lessor under this Lease, except obligations which arose and matured prior to such transfer by Lessor; (ii) Lessee shall thereafter look solely to Lessor's successor or assign for satisfaction of the obligations of Lessor under this Lease; and (iii) upon demand by Lessor or Lessor's successors or assigns, Lessee shall attorn to such successor or assigns. This Lease may be executed in one or more counterparts, each of which shall be deemed an original, and all of which when taken together shall constitute one and the same document.

**SECTION XLI**  
**No Brokers**

Lessor and Lessee represent to each other that no brokerage fees or real estate commissions are or shall be due or owing in connection with this transaction or in any way with respect to the Premises. Each party agrees to pay and be responsible for any claims, costs, judgments or liabilities of any kind advanced by persons claiming real estate brokerage fees through such party.

**[Remainder Of Page Intentionally Left Blank - Signature Page Follows]**

IN WITNESS WHEREOF, each of the parties has caused this Lease to be duly executed in its behalf; as of the date and year first above written.

“Lessor”:

THE CITY OF KENT, OHIO

By: \_\_\_\_\_  
City Manager

APPROVED AS TO FORM AND CORRECTNESS:

\_\_\_\_\_  
Law Director

“Lessee”:

AMETEK, INC.

By: \_\_\_\_\_  
Name and Title: \_\_\_\_\_

STATE OF OHIO                    )  
  ) SS:  
COUNTY OF PORTAGE        )

On this \_\_\_\_ day of \_\_\_\_\_, 2012, before me, a Notary Public in and for said County and State, personally appeared David Ruller, City Manager of the City of Kent, Ohio, and acknowledged the execution of the foregoing instrument as the authorized officer of said City on behalf of said City, and that the same is his voluntary act and deed as said officer on behalf of the City and the voluntary and corporate act and deed of the City.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed my official seal on the day and year aforesaid.

[SEAL]

\_\_\_\_\_  
Notary Public  
My commission expires:\_\_\_\_\_

STATE OF \_\_\_\_\_)  
  ) SS:  
COUNTY OF \_\_\_\_\_)

On this \_\_\_\_ day of \_\_\_\_\_, 2012, before me, a Notary Public in and for said County and State, personally appeared \_\_\_\_\_, AMETEK, INC., a Delaware corporation, and acknowledged the execution of the foregoing instrument as the duly authorized officer thereof, and that the same is his voluntary act and deed as said officer and the voluntary act and deed of the said corporation.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed my official seal on the day and year aforesaid.

[SEAL]

\_\_\_\_\_  
Notary Public  
My commission expires:\_\_\_\_\_

This instrument was prepared by:  
James R. Silver, Esq.  
City of Kent, Ohio  
215 East Summit Street  
Kent, Ohio 44240

CERTIFICATE OF DIRECTOR OF BUDGET AND FINANCE

The undersigned, fiscal officer of the City of Kent, Ohio, hereby certifies that the moneys required to meet the obligations of the City during the year 2012 under the Lease have been lawfully appropriated by the Council of the City for such purposes and are in the treasury of the City or in the process of collection to the credit of an appropriate fund, free from any previous encumbrances. This Certificate is given in compliance with Sections 5705.41 and 5705.44, Ohio Revised Code.

\_\_\_\_\_, 2012

\_\_\_\_\_  
Director of Budget and Finance  
City of Kent, Ohio

EXHIBIT A  
LEGAL DESCRIPTION

Attached hereto.



EXHIBIT B  
INSURANCE COVERAGE REQUIREMENTS

1.. Insurance Coverage

(i) Commercial general liability insurance in the amount of at least US\$5,000,000 per occurrence (including umbrella coverage), on a form at least as broad as Insurance Services Office (“ISO”) commercial general liability “occurrence” form CG 00 01 0196 (available through a commercial insurance broker) or another “occurrence” form providing equivalent coverage and approved in writing by Lessor; and such commercial general liability insurance and any necessary riders thereto shall provide at least the following coverages:

- (1) contractual liability coverage as applicable to any hold harmless agreements in this Lease;
- (2) completed operations coverage;
- (3) broad form property coverage for property in the care, custody, or control of the Lessee;
- (4) coverage for liability arising out of professional services or out of explosion, collapse, underground operations, or damage to utilities and loss of use resulting there from, with an “Aggregate Per Project” endorsement; and
- (5) products liability.

(ii) Workers Compensation and occupational disease insurance securing compensation for the benefit of Lessee’s employees and the employees of each contractor or subcontractor of Lessee (each a “Contractor”), if any, as required by applicable laws, including the laws of each State where the employment contracts of such employees were made. Such coverage need not be obtained if Lessee or such Contractor has an accepted program of self-insurance under applicable law or participates in an applicable monopolistic state Workers Compensation fund;

(iii) Employers liability insurance in the amount of at least US\$1,000,000 per occurrence; and

(iv) Motor vehicle liability insurance in the amount of at least US\$2,000,000 combined single limit, issued on a form at least as broad as ISO Business Auto Coverage Form CA 00 01 07 97 or other form providing equivalent coverage, covering all owned, hired, borrowed and non-owned vehicles (Symbol 1) brought onto the Premises. All required policies of insurance shall contain a

waiver of subrogation and waiver of liens in favor of the Lessor and its respective officers, employees, agents and insurers (collectively, "Lessor Parties").

The required commercial general liability, employers liability, and motor vehicle liability insurance policies shall cover Lessor as an additional insured with respect to all claims, actions, suits, demands, arbitrations and causes of action or other similar activity made, filed, done or attempted or submitted for or on account of any actual or alleged liabilities, losses, damages, fines, penalties, awards, judgments, decrees, orders, holdings, determinations, opinions, costs and expenses of every kind and amount whatsoever (including without limitation reasonable attorneys' fees) on account of or as a result of any actual or alleged loss of, damage to or defect in property or any actual or alleged illness or injury, including death, or one or more persons (collectively, "Claims") arising out of the work of the named insured and any entry upon the Premises of Lessor, acts or omissions of the named insured, and with respect to Claims by employees of Lessee or any Contractor, or their respective personal representatives, heirs, and beneficiaries. Such coverage shall be primary to and noncontributory with any other insurance carried by any Lessor.

2. The required policies of insurance for commercial general liability, employer's liability and motor vehicle liability shall not have deductibles or self-insured retentions which are greater than the lesser of (i) five percent (5%) of the coverage limit provided by the policy, or (ii) the deductibles or self-insured retentions in Lessee's or Contractor's general program of business insurance, unless approved in writing by Lessor. All deductibles or self insured retentions ("SIR") on insurance required to be obtained under this Lease shall be borne by Lessee or such Contractor, as applicable, at its sole expense, without reimbursement by Lessor, and shall be treated as "insurance" with regard to all requirements of this Lease. If Lessee or Contractor is self-insured, it will provide Lessor with appropriate certificates evidencing such self-insurance program, including appropriate documentation of SIR funds.

3. All required policies of insurance shall be maintained in a form and with responsible insurance carriers reasonably satisfactory to Lessor who are qualified to do business in the jurisdiction(s) in which the work is performed, and who are rated by AM Best as A- or better with a size rating of VII or better. As soon as practicable upon execution of this Lease and before entry upon the Premises of Lessor, Lessee shall provide Lessor with certificates of insurance evidencing all required coverages, listing all named insureds and additional insureds, and confirming the required waiver of subrogation. The certificates shall state that the policies described therein will not be cancelled, terminated, or materially amended, and renewals will not be refused or aggregate limits potentially exhausted until at least thirty (30) days after written notice has been given to Lessor. Upon request by Lessor, Lessee shall deliver, and shall cause each Contractor of Lessee to deliver, to Lessor true and complete copies of the original policies of insurance, including all riders and endorsements thereto, and bearing notations or accompanied by other evidence satisfactory to Lessor of the payment of premiums. Thereafter, Lessee shall deliver, and shall cause each Contractor of

Lessee to deliver, to Lessor certificates of renewal not less than ten (10) days before the expiration dates of the expiring policies. Each policy of insurance shall not contain any exclusions for work performed by Contractors and must incorporate any additional endorsements as Lessor may reasonably request.

4.. Lessee shall notify Lessor and the applicable insurance carriers of any occurrence or event giving rise to a Claim as required under the terms of the policies.

5. Failure of Lessee to provide such certificates evidencing the required insurance shall under no circumstances be deemed a waiver of this requirement. The obligation of Lessee to provide the required policies of insurance shall not limit in any way the liability or obligation assumed by Lessee under this Lease.

6. Lessee shall cause each of its Contractors that enters onto the Premises of Lessor to obtain the required insurance and to provide to Lessor a certificate of insurance prior to the entry upon such Premises and the start of any work at, on or about such Premises.

7. Lessee and its Contractors shall be responsible for providing all other insurance and employee benefits required under applicable laws.