

## COMMUNITY REINVESTMENT AREA #1 AGREEMENT

This Agreement (“Agreement”) is made and entered into on \_\_\_\_\_, 2019, by and between the City of Gahanna, Ohio (“Gahanna”), an Ohio Municipal Corporation, with offices located at 200 S. Hamilton Road, Gahanna, Ohio 43230 and **Eastgate Commercial Park, LLC** (“Eastgate Commercial Park”), an Ohio Domestic Limited Liability Company located at 1500 W. Third Avenue, Suite 120, Columbus, OH 43212. Gahanna and Eastgate Commercial Park are collectively referred to herein as the “Parties.”

WITNESSETH:

WHEREAS, Gahanna City Council by Resolution Nos. 3-84, 14-84, 28-92, 37-94, Substitute Resolution 24-96, SR-0006-2000, SR-0002-2001, SR-0003-2001, SR-0003-2003, SR-0005-2004 and SR-0002-2005 designated the area as Community Reinvestment Area #1 pursuant Chapter 3735 of the Ohio Revised Code; and

WHEREAS, Gahanna has encouraged the development of real property and the acquisition of personal property located in the area designated as Community Reinvestment Area #1; and

WHEREAS, Eastgate Commercial Park is desirous of constructing **67,560 square feet of flex office and warehouse space** on a portion of parcel **#027-000008 located at 6579 Taylor Road**, Gahanna, OH 43230, hereinafter referred to as the "Project" within the boundaries of the aforementioned Community Reinvestment Area, provided that the appropriate development incentives are available to support the economic viability of said Project; and

WHEREAS, Gahanna having the appropriate authority for the stated type of Project is desirous of providing Eastgate Commercial Park with incentives available for the development of the Project in said Community Reinvestment Area under Chapter 3735 of the Ohio Revised Code; and

WHEREAS, Eastgate Commercial Park has submitted a proposed agreement application, herein attached as **Exhibit A**, to Gahanna, said application hereinafter referred to as the "Application"; and

WHEREAS, the Director of Planning & Development of Gahanna has investigated the Application of Eastgate Commercial Park and has recommended the same to Gahanna City Council on the basis that Eastgate Commercial Park is qualified by financial responsibility and business experience to create and preserve employment opportunities in said Community Reinvestment Area and improve the economic climate of Gahanna; and

WHEREAS, all required notices to school districts have been delivered in accordance with Section 5709.83 of the Ohio Revised Code and the Compensation Agreement dated June 2, 2000, (the “Compensation Agreement”) by and between Gahanna and the Gahanna-Jefferson Public School District (the “School District”); and

WHEREAS, Eastgate Commercial Park has submitted the required municipal application fee of \$250.00 made payable to the City of Gahanna and the required state application fee of \$750.00 made

payable to the Ohio Development Services Agency (“ODSA”) with the ODSA application fee to be forwarded to that agency with an executed copy of this Agreement; and

WHEREAS, pursuant to Section 3735.67(A) and in conformance with the format required under Section 3735.671(B) 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:

### **SECTION 1. LOCATION BY CORPORATION**

- 1) Eastgate Commercial Park shall construct 67,560 square feet of flex office and warehouse space at the Project Location and will have an approximate total investment of \$6,625,000 as described in the Application.
  - a) The current market value of the site is \$1,197,700.
  - b) The estimated valuation increment upon project completion is \$6,719,855.
- 2) The Project will begin November, 2019, and all construction and installation will be completed by May, 2020.

### **SECTION 2. EMPLOYMENT AND PAYROLL**

- 1) Eastgate Commercial Park will create 38 full-time equivalent jobs within three years after completion of construction of the Project with an average annual salary of \$47,000 at the Project Location (“New Jobs”).
- 2) The aforementioned number of New Jobs and their respective payroll withholding must be retained throughout the incentive period.

### **SECTION 3. PROGRAM COMPLIANCE**

1. Eastgate Commercial Park shall provide to the Tax Incentive Review Council any information reasonably required and annual reports to evaluate the property owner’s compliance with this Agreement, including returns filed pursuant to Section 5711.02 of the Ohio Revised Code.
2. Gahanna hereby grants Eastgate Commercial Park a tax exemption for real property improvements made to the Project site pursuant to Section 3735.67 of the Ohio Revised Code and shall be in the following amounts:

Tax Exemption Amount:	<b>100%</b>
Term of Tax Exemption:	<b>10 years</b>

3. The exemption commences the first year for which the real property would be taxable if the property were not exempted from taxation.
4. Eastgate Commercial Park will comply with the tax exemption annual fee provisions pursuant to Section 3735.671(D) of the Ohio Revised Code. Eastgate Commercial Park is required to pay an annual fee equal to that contained in the Development Fee Schedule as authorized in Chapter 148 of the Codified Ordinances of Gahanna, herein attached as **Exhibit B**. This fee shall be paid once per year for each effective year of this Agreement by the first of March beginning the first year of exemption.
5. Eastgate Commercial Park shall pay such real and tangible personal property taxes as are not exempted under this Agreement and are charged against such property and shall file all tax reports and returns as required by law. If Eastgate Commercial Park fails to pay such taxes or file such returns and reports, all incentives granted under this Agreement are rescinded beginning with the year for which such taxes are charged or such reports or returns are required to be filed and thereafter.
6. Eastgate Commercial Park, or the operating business tenants at the Project, shall maintain a current membership in the Gahanna Area Chamber of Commerce.
7. For Eastgate Commercial Park to remain eligible for any benefit to be derived from the terms of this Agreement, Eastgate Commercial Park and operating business tenants at the Project shall, for the length of the incentive term, file Annual Municipal Net Profit Returns with Gahanna, or its designee, in order for Gahanna to verify the information provided therein.
8. Should Eastgate Commercial Park, and operating business tenants at the Project, file the Annual Municipal Net Profit Returns through the Ohio Business Gateway or through some other means directed by the Ohio Tax Commissioner pursuant to Ohio Regulation 5703-41-1 rather than directly with Gahanna, Eastgate Commercial Park will forfeit eligibility to receive the property tax abatement incentive benefit for that Reporting Year.
9. Gahanna 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.
10. If for any reason the Community Reinvestment Area designation expires or is rescinded by Gahanna, entitlements granted under this Agreement shall continue for the number of years specified under this Agreement, unless Eastgate Commercial Park materially fails to fulfill its obligations under this Agreement and Gahanna terminates or modifies the exemptions from taxation granted under this Agreement.
11. If Eastgate Commercial Park materially fails to fulfill its obligations under this Agreement, or if Gahanna determines that the certification as to the delinquent taxes required by this Agreement is fraudulent, Gahanna may terminate or modify the exemptions from taxation granted under this

Agreement and may require the repayment of the amount of taxes that would have been payable had the property not been exempted from taxation under this Agreement.

12. Eastgate Commercial Park agrees to record this Agreement as a covenant running with the land prior to any liens or encumbrances affecting the Project site or the Project except those approved by Gahanna. Failure to do this can jeopardize the eligibility to receive the property tax abatement incentive benefit.
13. Eastgate Commercial Park hereby certifies that at the time this Agreement is executed, Eastgate Commercial Park 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 Eastgate Commercial Park is liable under Chapter 5733, 5735, 5739, 5741, 5743, 5747 or 5753 of the Ohio Revised Code, or, if such delinquent taxes are owed, Eastgate Commercial Park is currently 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 Eastgate Commercial Park. 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.
14. Eastgate Commercial Park affirmatively covenants that it has made no false statements to the State or Gahanna in the process of obtaining approval for Community Reinvestment Area incentives. If any representative of Eastgate Commercial Park has knowingly made a false statement to the State or Gahanna to obtain Community Reinvestment Area incentives, Eastgate Commercial Park shall be required immediately to return all benefits received under this Agreement pursuant to Ohio Revised Code 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 Ohio Revised Code Section 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.
15. Exemptions from taxation granted under this Agreement shall be revoked if it is determined that Eastgate Commercial Park, any successor to that person, or any related member (as those terms are defined in Division (E) of Section 3735.671 of the Ohio Revised Code) has violated the prohibition against entering into this Agreement under Division (E) of Section 3735.671 or Section 5709.62 or 5709.63 of the Ohio Revised Code prior to the time prescribed by that Division or either of those Sections.
16. This Agreement is not transferable or assignable without the express, written approval of Gahanna, which shall not be unreasonably withheld. The form required to seek approval from Gahanna for any future transfers or assignments is herein attached as **Exhibit C**.
17. Eastgate Commercial Park and Gahanna acknowledge that this Agreement must be approved by formal action of Gahanna City Council as a condition for this Agreement to take effect.

18. This Agreement may be executed in one or more counterparts, each of which constitutes an original agreement, and all of which constitute one and the same original agreement.
19. If any provision of this Agreement is held to be illegal, invalid or unenforceable, said provision is fully severable. This Agreement will be construed and enforced as if such illegal, invalid or unenforceable provision had never comprised a part of this Agreement and the remaining provisions of this Agreement will remain in full force and effect and will not be affected by the illegal, invalid or unenforceable provision or by its severance from this Agreement.

IN WITNESS WHEREOF, the City of Gahanna, Ohio, by Michael Blackford, Housing Officer, and pursuant to Resolution Nos. 3-84, 14-84, 28-92, 37-94, Substitute Resolution 24-96 and SR-0006-2000, SR-0002-2001, SR-0003-2001, SR-0003-2003, SR-0005-2004, SR-0002-2005 and Ordinance No. \_\_\_\_\_-2019, has caused this instrument to be executed this \_\_\_\_\_ day of \_\_\_\_\_, 2019 and Eastgate Commercial Park, by its duly authorized signor, has caused this instrument to be executed on this \_\_\_\_\_ day of \_\_\_\_\_, 2019.

**EASTGATE COMMERCIAL PARK LLC**

**City of Gahanna, Ohio**

By: \_\_\_\_\_  
Authorized Signature

By: \_\_\_\_\_  
Michael Blackford, Housing Officer

\_\_\_\_\_  
Print Name & Title

Approved as to form:

\_\_\_\_\_  
Shane W. Ewald, City Attorney

**EXHIBIT A**

**CRA APPLICATION**

Date: 8/20/19

CRA Area: 1

\$250 Application Fee Received: \_\_\_\_\_

\$750 Filing Fee Received: \_\_\_\_\_

# CITY OF GAHANNA

## APPLICATION FOR THE COMMUNITY REINVESTMENT AREA PROGRAM

This application for Community Reinvestment Area Tax Incentives between the City of Gahanna located in the County of Franklin and Eastgate Commercial Park, LLC.

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

Eastgate Commercial Park, LLC  
Enterprise Name

Robert LeVeck  
Contact Person

1500 W. Third Ave. Ste. 120  
Address  
Columbus, OH 43212

614-582-4765  
Telephone Number

- b. Project site:

027-000008-00  
Parcel Number (Required)

Robert LeVeck  
Contact Person

6579 Taylor Rd.  
Address  
Gahanna, OH 43004

614-582-4765/rleveck@leveckconstruction.com  
Telephone Number / Email  
None  
Fax number

2. a. Nature of commercial/industrial activity (manufacturing, warehousing, wholesale or retail stores, or other) to be conducted at the site.

Flex office and warehousing  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

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

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

c. Form of business of enterprise (corporation, partnership, proprietorship, or franchise).

Limited Liability Company  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

3. a. Where is your business currently located?

- In State                       Central Ohio                       Gahanna  
 Out of State

b. Why are you locating your business in Gahanna?

The Gahanna flex/industrial market has very little supply and increasing demand for office and warehouse.  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

4. Name of principal owner(s) or officers of the business.

Robert LeVeck  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

5. a. State the enterprise's current employment level at the proposed project site:

38 full time employees  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

b. Will the project involve the relocation of employment positions or assets from one Ohio location to another?

Yes \_\_\_ No x

c. 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  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

d. State the enterprise's current employment level in Ohio (itemized for full and part-time and permanent and temporary employees):

N/A  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_



e. State the enterprise's current employment level for each facility to be affected by the relocation of employment positions or assets: N/A

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f. What is the projected impact of the relocation, detailing the number and type of employees and/or assets to be relocated? N/A

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6. Does the Property Owner owe:

a. Any delinquent taxes to the State of Ohio or a political subdivision of the state?

Yes  No

b. Any moneys to the State or a state agency for the administration or enforcement of any environmental laws of the state?

Yes  No

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

d. If yes to any of the above, please provide details of each instance including but not limited to the location, amounts and/or case identification numbers (add additional sheets if necessary).

N/A

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7. Project Description: Two 21,000sf and three 8,520sf flex office and warehouse buildings.

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8. Project will begin: November, 2019 and be completed May, 2020 provided a tax exemption is provided.

9. a. Estimate the number of new employees the property owner will cause to be created at the facility that is the project site (job creation projection must be itemized by the name of the employer, full and part-time and permanent and temporary): 38 full time employees

b. State the time frame of this projected hiring: Three years yrs.

c. State proposed schedule for hiring (itemize by full and part-time and permanent and temporary employees): 14 full time employees during year one, 14 full time employees during year two, and 10 full time employees during year three.

10. a. Estimate the amount of annual payroll new employees will add \$ 1,800,000 (new annual payroll must be itemized by full and part-time and permanent and temporary new employees). Full time permanent employees

b. Indicate separately the amount of existing annual payroll relating to any job retention claim resulting from the project: \$ N/A

11. An estimate of the amount to be invested by the enterprise to establish, expand, renovate or occupy a facility:

A. Acquisition of Buildings:	<u>\$ 0.00</u>
B. Additions/New Construction:	<u>\$ 3,700,000.00</u>
C. Improvements to existing buildings:	<u>\$ 0.00</u>
D. Machinery & Equipment:	<u>\$ 550,000.00</u>
E. Furniture & Fixtures:	<u>\$ 200,000</u>
F. Inventory:	<u>\$ 1,500,000.00</u>
G. Other: Tenant Improvements	<u>\$ 675,000.00</u>

**Total New Project Investment:** \$ 6,625,000.00

12. a. Business requests the following tax exemption incentives: 100 % for 10 years covering real as described above. Be specific as to the rate, and term.

b. Business's reasons for requesting tax incentives (be quantitatively specific as possible; attach any supporting documents)

The tenant improvement will cost an additional \$10 per sf. The tax incentives are needed to bridge the cost gap in construction.

13. I certify that a tax incentive is necessary for location and or expansion of my business in Gahanna.  
 Yes       No

Submission of this application expressly authorizes The City of Gahanna to contact the Ohio Environmental Protection Agency to confirm statements contained within this application including item # 5 and to review applicable confidential records. As part of this application, the property owner may also be required to directly request from the Ohio Department of Taxation, or complete a waiver form allowing the Department of Taxation to release specific tax records to the local jurisdiction considering the request. The 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 benefits as well as a fine of not more than \$1,000 and/or a term of imprisonment of not more than six months.

Robert LeVeck  
Name of Property Owner

8/20/19  
Date

  
Signature

Robert LeVeck/President  
Typed Name and Title

The City of Gahanna will assume responsibility for notification to the affected Board of Education.

This application will be attached to final Community Reinvestment Area Agreement as Exhibit A.

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City of Gahanna

**EXHIBIT B**

**DEVELOPMENT FEE SCHEDULE**



## DEVELOPMENT FEE SCHEDULE

### Business & Incentive Fees

**Valid beginning August 15, 2016**

A fee is charged to recover the City's administrative costs for enforcement of codes related to building, development, electrical, plumbing, and mechanical permits and zoning applications and processing.

Authority to assess such fees is contained within City Code Chapter 148.

All fees are due and payable at time of submission and/or on an annual basis and are non-refundable subject to City Code Chapter 148.

CATEGORY	BASE FEE	ADDITIONAL FEE
Sexually Oriented Business		
<i>Application/Investigation</i>	\$500.00	
<i>Annual Business License</i>	\$500.00	
<i>Annual Business Employee License</i>	\$100.00	
CRA Property Tax Abatement Annual Fee	\$0.00	1% of the amount of annual taxes abated for the previous reporting year; minimum \$100 and maximum \$2,500
CRA Property Tax Abatement Application Fee	\$250.00	
Office & Industrial Incentive Application Fee	\$150.00	

**EXHIBIT C**

**ASSIGNMENT – TRANSFER OF ABATEMENT FORM**

Date \_\_\_\_\_

City of Gahanna  
Attn: Director of Planning & Development  
200 S. Hamilton Road  
Gahanna, OH 43230

Re: Assignment Request for CRA Agreement for \_\_\_\_\_

To Whom It May Concern:

This letter is intended to advise the City of Gahanna of my request to assign the rights and obligations of the CRA Agreement, executed on \_\_\_\_\_, between the City of Gahanna and \_\_\_\_\_ . The Agreement is attached as reference to this assignment request.

As the authorized representative of \_\_\_\_\_, I, \_\_\_\_\_  
(Seller: Company Name) (Name of Authorized Representative)

hereby assign and transfer all rights, obligations and terms remaining under the CRA Agreement to \_\_\_\_\_ per Section 3, Paragraph 16 of the CRA Agreement, subject  
(Buyer: Company Name)

to the approval of the City of Gahanna.

This assignment will be effective on the following date: \_\_\_\_\_.

\_\_\_\_\_  
Date

\_\_\_\_\_  
Authorized Representative of Seller

\_\_\_\_\_  
Phone

\_\_\_\_\_  
E-mail

As the authorized representative of \_\_\_\_\_, I, \_\_\_\_\_  
(Buyer: Company Name) (Name of Authorized Representative)

hereby agree to assume all rights, obligations, and terms remaining under the CRA Agreement executed on \_\_\_\_\_, beginning on the abovementioned assignment date.

\_\_\_\_\_  
Date

\_\_\_\_\_  
Authorized Representative of Buyer

\_\_\_\_\_  
Phone

\_\_\_\_\_  
E-mail

The City of Gahanna hereby approves this assignment to the above cited Buyer per Section 3, Paragraph 16, of the CRA Agreement.

\_\_\_\_\_  
Date

\_\_\_\_\_  
City of Gahanna