

COMMUNITY REINVESTMENT AREA #3 AGREEMENT

This Agreement (the "Agreement") is made and entered into on _____, 2024, by and between the City of Gahanna, Ohio ("Gahanna"), an Ohio Municipal Corporation, with offices located at 200 S. Hamilton Road, Gahanna, OH 43230 and **JE Grote Company, Inc.** (Grote) with its facility located at **1160 Gahanna Parkway, Gahanna, OH**. Gahanna and Grote are collectively referred to herein as the "Parties."

WITNESSETH:

WHEREAS, Gahanna City Council by Substitute Resolution No. 29-92, 17-95, Resolution 980129 and SR-0003-2005 designated the area as Community Reinvestment Area #3 pursuant to Chapters 3735.65 to 3735.70 of the Ohio Revised Code; and

WHEREAS, Gahanna has encouraged the development and improvement of real property and the acquisition of personal property located in the area designated as Community Reinvestment Area #3; and

WHEREAS, GROTE is desirous of renovating its offices and manufacturing facility, hereinafter referred to as the "Project", within the boundaries of the forementioned 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 GROTE with incentives available for the development of the Project in said Community Reinvestment Area under Chapter 3735 of the Ohio Revised Code; and

WHEREAS, GROTE 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 Economic Development for Gahanna has investigated the Application of GROTE and has recommended the same to Gahanna City Council on the basis that GROTE 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, GROTE has remitted the required municipal application fee of \$250.00 made payable to the City of Gahanna; and

WHEREAS, pursuant to Section 3735.67(A) and in accordance 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) GROTE shall cause improvements to be made at the company's location (Parcel: **025-006170-80**) located at **1160 Gahanna Parkway**, Gahanna, OH, hereinafter referred to as the "**Project Site**" in the amount of \$4,500,000.
- 2) It is expected The Project will begin in April or May of 2024, with construction and installation of equipment by the end of 2024 or early 2025. The company is expected to invest an additional \$800,000 in new furniture, fixtures and equipment.

SECTION 2. EMPLOYMENT AND PAYROLL

1. GROTE shall retain its current **107 full-time equivalent** permanent jobs (existing jobs), and \$10,249,000 existing payroll; and within thirty-six (36) months after completion of construction of the Project, have **120 full-time equivalent** jobs and \$12,078,000 total payroll at the Project site. The aforementioned number of total Jobs must be retained throughout the incentive period.

SECTION 3. PROGRAM COMPLIANCE

1. GROTE shall provide to the proper Tax Incentive Review Council any information reasonably required by the Council and annual reports to Gahanna 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 GROTE a tax exemption for only the 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:	50%
Initial Term of Tax Abatement:	15 years

3. The exemption will have no impact upon the existing tax valuations of the property as they appear on the 2023 tax information provided by Franklin County, OH. The exemption on improvements commences the first year for which the real property would first be taxable if the improvements were not exempted from taxation.
4. GROTE will comply with the tax abatement annual fee provisions pursuant to Section 3735.671(D) of the Ohio Revised Code. GROTE 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. 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 abatement.

5. GROTE shall pay such real and tangible personal property taxes as are not exempted under this Agreement and are charged against such property, including assessed values captured during the construction period, and shall file all tax reports and returns as required by law. If GROTE 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. GROTE, or the operating business tenants at the Project site, shall maintain a current membership in the Gahanna Area Chamber of Commerce.
7. For GROTE to remain eligible for any benefit to be derived from the terms of this Agreement, all operating business tenants at the Project Site 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 GROTE, and/or operating business tenants at the Project Site, 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, GROTE 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 revoked by Gahanna, entitlements granted under this Agreement shall continue for the number of years specified under this Agreement, unless GROTE materially fails to fulfill its obligations under this Agreement and Gahanna terminates or modifies the exemptions from taxation granted under this Agreement.
11. If GROTE materially fails to fulfill its obligations under this Agreement, or if Gahanna determines that the certification as to the delinquent taxes required by 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. GROTE agrees to record this Agreement and the foregoing covenant 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.

12. GROTE hereby certifies that at the time this Agreement is executed, GROTE 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 GROTE is liable under Chapter 5733, 5735, 5739, 5741, 5743, 5747 or 5753 of the Ohio Revised Code, or, if such delinquent taxes are owed, GROTE 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 GROTE. 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.
13. GROTE 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 GROTE has knowingly made a false statement to the State or Gahanna to obtain Community Reinvestment Area incentives, GROTE 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 Gahanna, any state agency or a political subdivision pursuant to Ohio Revised Code 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.
14. Exemptions from taxation granted under this Agreement shall be revoked if it is determined that GROTE, 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.
15. This Agreement is not transferable or assignable without the express, written approval of Gahanna.
16. GROTE 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.
17. 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.
18. 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 Shannon Hamons, Housing Officer, and pursuant to Substitute Resolution No. 29-92, 17-95, Resolution 980129 and SR-0003-2005, and Ordinance No. _____-2024, has caused this instrument to be executed this _____ day of _____, 2024 and GROTE, by its duly authorized signor, has caused this instrument to be executed on this _____ day of _____, 2024.

JE Grote Company, Inc.

City of Gahanna, Ohio

By: _____
Bob Grote, CEO

By: _____
Laurie Jadwin, Mayor

Approved as to form:

Priya Tamilarasan, City Attorney

EXHIBIT A

CRA APPLICATION