

COMMUNITY REINVESTMENT AREA #1 AGREEMENT

This Agreement (the "Agreement") is made and entered into on _____, 2016, 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 670 Gahanna Investments LLC ("670 Gahanna Investments") with its offices located at 470 Olde Worthington Road, Suite 100, Columbus, OH 43229. Gahanna and 670 Gahanna Investments are collectively referred to herein as the "Parties."

WITNESSETH:

WHEREAS, Gahanna City Council by Ordinance No. 3-84, 14-84, 28-92, 37-94, 24-96 and SR3-2003 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 a Community Reinvestment Area #1; and

WHEREAS, 670 Gahanna Investments is desirous of constructing a 20,000 square foot office building, 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 670 Gahanna Investments with incentives available for the development of the Project in said Community Reinvestment Area under Chapter 3735 of the Ohio Revised Code; and

WHEREAS, 670 Gahanna Investments 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 670 Gahanna Investments and has recommended the same to Gahanna City Council on the basis that 670 Gahanna Investments 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, 670 Gahanna Investments has remitted 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 a 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. 670 Gahanna Investments shall construct a new 20,000 square foot building at 670 Cross Pointe Road, Gahanna, OH. The Project will involve a total investment by 670 Gahanna Investments of \$2,110,000 as described in the Application.
2. The Project will begin October 30, 2016, and all acquisition, construction and installation will be completed by October 30, 2017.
3. 670 Gahanna Investments shall install a dedicated fiber optic conduit from Cross Pointe Road to the building which will provide tenant the ability to gain access and utilize the GahannaNet Program, the City of Gahanna's Fiber Optic Network.

SECTION 2. EMPLOYMENT AND PAYROLL

1. 670 Gahanna Investments shall create at the Project, according to the schedule below, the equivalent of one hundred ninety-three (193) full-time permanent job opportunities, within thirty-eight (38) months after the commencement of construction of the Project.

The estimated schedule for hiring is as follows: retain and relocate 93 existing full-time permanent job opportunities from existing location in Gahanna by December 31, 2017; create 40 new full-time permanent job opportunities by December 31, 2018; create 40 new full-time permanent job opportunities by December 31, 2019; and create 20 new full-time permanent job opportunities by December 31, 2020.

The number of full-time employees retained with the Project within Gahanna will result in the retention of \$4,381,786 in annual payroll for Gahanna. The number of new full-time employees created with the Project will result in the creation of \$4,195,000 of annual payroll for Gahanna.

SECTION 3. PROGRAM COMPLIANCE

1. 670 Gahanna Investments shall provide to the proper 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 670 Gahanna Investments 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 amount:

First Year of Tax Exemption: **2017**

Tax Exemption Amount: **100%**

Term of Tax Abatement: **15 years**

3. The exemption commences the first year for which the real property would be taxable if the property were not exempted from taxation. No exemption shall extend beyond tax year 2031/collection year 2032 (15 year exemption period).
4. 670 Gahanna Investments will comply with the tax abatement annual fee provisions pursuant to Section 3735.671(D) of the Ohio Revised Code. 670 Gahanna Investments 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 abatement.
5. 670 Gahanna Investments 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 670 Gahanna Investments 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. 670 Gahanna Investments, or the operating business tenant at the Project, shall maintain a current membership in the Gahanna Area Chamber of Commerce.
7. 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.
8. 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 670 Gahanna Investments materially fails to fulfill its obligations under this Agreement and Gahanna terminates or modifies the exemptions from taxation granted under this Agreement.
9. If 670 Gahanna Investments 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.

10. 670 Gahanna Investments agrees to record 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 and providing a copy of the recorded document to Gahanna.
11. 670 Gahanna Investments hereby certifies that at the time this Agreement is executed, 670 Gahanna Investments 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 670 Gahanna Investments is liable under Chapter 5733, 5735, 5739, 5741, 5743, 5747 or 5753 of the Ohio Revised Code, or, if such delinquent taxes are owed, 670 Gahanna Investments 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 670 Gahanna Investments. 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.
12. 670 Gahanna Investments 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 670 Gahanna Investments has knowingly made a false statement to the State or Gahanna to obtain Community Reinvestment Area incentives, 670 Gahanna Investments 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.
13. Exemptions from taxation granted under this Agreement shall be revoked if it is determined that 670 Gahanna Investments, 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.
14. This Agreement is not transferable or assignable without the express, written approval of Gahanna.
15. 670 Gahanna Investments 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. This Agreement takes effect upon such approval.

16. 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.

17. 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 Anthony Jones, Housing Officer, and pursuant to Resolution Nos. 3-84, 14-84, 28-92, 37-94, 24-96 and SR3-2003, and Ordinance No. _____-2016, has caused this instrument to be executed this _____ day of _____, 2016 and 670 Gahanna Investments, by its duly authorized signor, has caused this instrument to be executed on this _____ day of _____, 2016.

670 Gahanna Investments LLC

City of Gahanna, Ohio

By: _____
Donald R. Kenney, Jr., Agent
(Authorized Signature)

By: _____
Anthony Jones, Housing Officer

Approved as to form:

Shane W. Ewald, City Attorney

EXHIBIT A

CRA APPLICATION

Date: August 8, 2016

CRA Area: # 1

\$250 Application Fee Received: 8/9/16

\$750 Filing Fee Received: 8/9/16

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 _____.

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

670 Gahanna Investments, LLC
Enterprise Name

Donald R. Kenney Jr.
Contact Person

470 Olde Worthington Road
Address
Suite 100 Westerville, OH 43082

614-540-2414
Telephone Number

- b. Project site:

025-012942-00
Parcel Number (Required)

Donald R. Kenney Jr.
Contact Person

670 Cross Pointe Road
Address
Gahanna, OH 43230

614-540-2414/dkenney@triangle-drk.com
Telephone Number / Email
614-540-2401
Fax number

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

Financial Services - Collections

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

None

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

LLC

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?

Existing tenant needs to expand and desires to stay in Gahanna

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

Donald R. Kenney Jr.

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

0

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

Yes X No

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:

750 Cross Pointe Road Gahanna, OH 43230

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

Full Time Permanent:

93

e. State the enterprise's current employment level for each facility to be affected by the relocation of employment positions or assets: _____
95 Full Time Employees

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

All 95 Employees To Be Relocated

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 x

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 X

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

7. Project Description: _____
20,000 Square Foot Industrial Office New Build

8. Project will begin: October 30th, 2016 and be completed October 30th, 2017 provided a tax exemption is provided. *Et. 3/15/16*

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):

b. State the time frame of this projected hiring: 3 yrs.

c. State proposed schedule for hiring (itemize by full and part-time and permanent and temporary employees): _____

Year 1 - Full Time Permanent = 40

Year 2 - Full Time Permanent = 40

Year 3 - Full Time Permanent = 20

10. a. Estimate the amount of annual payroll new employees will add \$ 4,195,000 (new annual payroll must be itemized by full and part-time and permanent and temporary new employees). Full Time Permanent

b. Indicate separately the amount of existing annual payroll relating to any job retention claim resulting from the project: \$ 4,381,786

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>\$ 310,000.00</u>
B. Additions/New Construction:	<u>\$ 1,800,000.00</u>
C. Improvements to existing buildings:	<u>\$ 0</u>
D. Machinery & Equipment:	<u>\$ 0</u>
E. Furniture & Fixtures:	<u>\$ 0</u>
F. Inventory:	<u>\$ 0</u>
G. Other:	<u>\$ 0</u>

Total New Project Investment: \$ 2,110,000.00

12. a. Business requests the following tax exemption incentives: 100 % for 15 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)

See Attached

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.

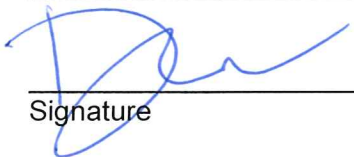
The Applicant affirmatively covenants that the information contained in and submitted with this application is complete and correct and is aware of the ORC Sections 9.66(C)(1) and 2921.13(D)(1) penalties for falsification which could result in the forfeiture of all current and future economic development 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.

Donald R. Kenney Jr.

Name of Property Owner

August 8, 2016

Date


Signature

Owner

Typed Name and Title

Donald R. Kenney Jr.

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.

City of Gahanna

Reliant Capital has been a client of mine for over 6 years located at 750 Cross Pointe Road in Gahanna OH. They started in 2500 square of office space and have grown to over 10,000 square feet. We have made due by adding them to available units, some are congruent and some are not. Reliant is set to grow again and needs additional space with large parking requirement. I have no more space that will accommodate them and their efficiency of operation is suffering not being consolidated. This forced them to go out to the market place and find a free standing building. In the Central Ohio market, 20,000 square feet buildings are at a premium and are very scarce. Reliant has located a free standing building in Reynoldsburg that met their criteria and has been offered incentives to move there. After an exhaustive search for a building in Gahanna and many meetings with Reliant, we thought an alternative would be to cost out a new build that matched every important feature that they were looking for. Reliant has loved being in Gahanna and, with all things being equal, wishes to stay in Gahanna. Going in I knew that I would be at a disadvantage due to costs of new builds vs. older existing buildings. One way to solve that issue however is to keep a tenant's common area cost low through real estate tax abatement. With the proposed tax abatement, Reliant would save approximately \$3.92 per square foot on their common area expenses (CAM). With this savings coupled with aggressive lease rates, I believe we will be able to keep this growing business in the City of Gahanna.

EXHIBIT B

DEVELOPMENT FEE SCHEDULE

CITY OF GAHANNA - 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 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 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	