

## **COMMUNITY REINVESTMENT AREA #1 AGREEMENT**

This Agreement (“Agreement”) is made and entered into on \_\_\_\_\_, 2020, 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 Opron, Inc. DBA ROSEN USA (“Opron”), located at 1195 Technology Drive, Gahanna, OH 43230 (“Project Location.”) Gahanna and OPRONA 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 to 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, OPRONA is desirous of constructing a new 25,000 square foot warehouse building on Parcel #025-011488, which is adjacent to 1195 Technology Drive, 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 OPRONA with incentives available for the development of the Project in said Community Reinvestment Area under Chapter 3735 of the Ohio Revised Code; and

WHEREAS, OPRONA 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 OPRONA and has recommended the same to Gahanna City Council on the basis that OPRONA 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, OPRONA has remitted the required municipal application fee of \$250.00 made payable to the City of Gahanna and, upon Council approval of this Agreement, will submit the required state filing/application fee of \$750.00 made payable to the Ohio Development Services Agency ("ODSA") with the ODSA filing/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) OPRONA shall construct a 25,000 square foot warehouse building at the Project Location and will have an approximate total investment of \$7,045,000 as described in the Application.
  - a) The current market value of the site is \$1,000,000.
  - b) The estimated valuation increment upon project completion is \$6,692,750.
  - c) The estimated total valuation of the site after project completion is \$7,692,750.
- 2) The Project will begin April 1, 2021, and all construction and installation will be completed by June 30, 2022.

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

- 1) OPRONA shall retain 41 full-time equivalent jobs in Gahanna as part of the Project (“Retained Jobs.”)
- 2) The Retained Jobs generate approximately \$3,105,375 in taxable payroll at the Project Location (“Retained Payroll.”)
- 3) OPRONA will create 70 new full-time equivalent jobs within 48 months after completion of construction of the Project with an average annual salary of \$60,000 at the Project Location (“New Jobs.”)
- 4) The aforementioned number of New and Relocated Jobs and their respective payroll withholding must be retained throughout the incentive period.

## **SECTION 3. PROGRAM COMPLIANCE**

1. OPRONA shall provide to the proper tax incentive review council any information reasonably required by the council and annual reports to evaluate the applicant’s compliance with the Agreement, including returns filed pursuant to Section 5711.02 of the Ohio Revised Code if requested by the council.
2. Gahanna hereby grants OPRONA a tax exemption for real property improvements made to the Project Location pursuant to Section 3735.67 of the Ohio Revised Code and shall be in the following amounts:

Tax Exemption Amount:	100%
Term of Tax Exemption:	15 years
3. The exemption commences the first year for which the real property would first be taxable were that property not exempted from taxation.
4. OPRONA will comply with the tax exemption annual fee provisions pursuant to Section 3735.671(D) of the Ohio Revised Code. OPRONA 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. OPRONA 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 OPRONA fails to pay such taxes or file such returns and reports, exemptions from taxation 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. For OPRONA to remain eligible for any benefit to be derived from the terms of this Agreement, OPRONA and operating business tenants at the Project Location 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.
7. Should OPRONA, and operating business tenants at the Project Location, 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, OPRONA will forfeit eligibility to receive the property tax abatement incentive benefit for that Reporting Year.
8. 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.
9. If for any reason Gahanna revokes the designation of the area, entitlements granted under this Agreement shall continue for the number of years specified under this Agreement, unless OPRONA materially fails to fulfill its obligations under this Agreement and Gahanna terminates or modifies the exemptions from taxation pursuant to this Agreement.
10. If OPRONA 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.
11. OPRONA agrees to record this Agreement as a covenant running with the land prior to any liens or encumbrances affecting the Project Location or the Project except those approved by Gahanna.
12. OPRONA hereby certifies that at the time this Agreement is executed, OPRONA 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 OPRONA is liable under Chapter 5733, 5735, 5739, 5741, 5743, 5747 or 5753 of the Ohio Revised Code, or, if such delinquent taxes are owed, OPRONA currently is paying the delinquent taxes pursuant to an undertaking enforceable by the State of Ohio or an agent or instrumentality thereof, has filed a petition in bankruptcy court under 11 U.S.C.A. 101, et seq., or such a petition has been filed against OPRONA. For the purposes of this 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. OPRONA 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 OPRONA has knowingly made a false statement to the State or Gahanna to obtain Community Reinvestment Area incentives, OPRONA 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.
14. Exemptions from taxation granted under this Agreement shall be revoked if it is determined that OPRONA, 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, 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.
16. OPRONA and Gahanna acknowledge that this Agreement must be approved by formal action of the legislative authority of Gahanna as a condition for the Agreement to take effect. This Agreement takes effect upon such approval.
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 \_\_\_\_\_,  
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. \_\_\_\_\_-2020, has caused this instrument to be  
executed this \_\_\_\_\_ day of \_\_\_\_\_, 2020, and OPRONA, by its duly  
authorized signor, has caused this instrument to be executed on this \_\_\_\_\_ day of  
\_\_\_\_\_, 2020.

**Oprona, Inc. DBA ROSEN USA**

**City of Gahanna, Ohio**

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

By: \_\_\_\_\_  
Housing Officer

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

Approved as to form:

\_\_\_\_\_  
Raymond J. Mularski, City Attorney

**EXHIBIT A**

**CRA APPLICATION**



**Community Reinvestment Area Incentive Application**  
**City of Gahanna Planning & Development Department**  
200 S. Hamilton Road, Gahanna, OH 43230 Phone: (614) 342-4015

Date Received: \_\_\_\_\_

CRA #: \_\_\_\_\_

**Applicant Information:**

\_\_\_\_\_  
Company Name

\_\_\_\_\_  
Contact Name

\_\_\_\_\_  
Address

\_\_\_\_\_  
Contact Title

\_\_\_\_\_  
Phone

\_\_\_\_\_  
Email

**Project Information:**

\_\_\_\_\_  
Project Address

\_\_\_\_\_  
Parcel Number (Required)

\_\_\_\_\_  
Type of Business (Manufacturing, warehouse, retail sales, etc.)

\_\_\_\_\_  
Primary Standard Industrial Code # (May also list other relevant SIC numbers)

\_\_\_\_\_  
If a consolidation, what are the components? (Itemize the locations, assets and employment positions to be transferred.)

\_\_\_\_\_  
Form of business or enterprise (Corporation, partnership, proprietorship or franchise.)

Where is your business currently located?     In State     Out of State     Central Ohio     Gahanna

\_\_\_\_\_  
Why are you locating your business in Gahanna?

\_\_\_\_\_  
Name of principal owner(s) or officers of the business

\_\_\_\_\_  
Current employment level at the proposed project site



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

Yes       No

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If yes, state the locations from which employment positions and assets will be relocated from/to.

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Company's current employment level in Ohio (itemize by full-time, part-time, permanent and temporary employees)

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List current employment level for each facility to be affected by the relocation of employment positions or assets

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Projected impact of the relocation, detailing the number and type of employees and/or assets to be relocated

Does the Applicant owe any of the following:

- Delinquent taxes to the State of Ohio or a political subdivision of the state?  Yes     No
- Any monies to the State or a state agency for the administration or enforcement of any environmental laws of the state?  Yes     No
- Any other monies 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

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If yes to any of the above, please provide complete details of each instance including the location, amounts and/or case numbers.

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Project description

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Date project will begin

---

Date project will be completed

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Estimated number of **NEW** employees the Applicant will cause to be created at the facility that is the project site. (Separate job creation projection by the name of the employer and itemize by full-time, part-time, permanent and temporary employees.)

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Time frame for projected hiring (number of years)

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Proposed schedule for hiring (itemize by full-time, part-time, permanent and temporary employees.)

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Estimate the amount of annual payroll **NEW** employees will add. (New annual payroll must be itemized by full-time, part-time, permanent and temporary employees.)

**\$3,105,375.10**

Indicate separately the amount of existing annual payroll relating to any job retention claim resulting from the project.

Estimate the amount to be invested by the Applicant to establish, expand, renovate or occupy a facility:

Acquisition of buildings	\$
Additions/new construction	\$5,000,000
Improvements to existing buildings	\$
Machinery & equipment	\$
Furniture & fixtures	\$1,500,000
Inventory	\$
Other	\$545,000
<b>Total New Project Investment:</b>	<b>\$</b>

Applicant requests the following tax exemption incentive: 100 % for 15 years

**To incentivize expansion in Ohio**

Reasons for requesting tax incentive (Be as specific as possible and attach any supporting documentation.)

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 authorized the City of Gahanna to contact the Ohio Environmental Protection Agency to confirm statements contained within this application and to review applicable confidential records. As part of this application, the Applicant 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 City of Gahanna. 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 Ohio Revised Code Section 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 assistant benefits as well as a fine of not more than \$1,000 and/or a term of imprisonment of not more than six months.

Brittany Glass, Tax Accountant

6/26/2020

Applicant Name & Title

Date

Signature

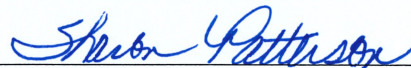


The City of Gahanna will assume responsibility for notification to the affected Board of Education.

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

CITY OF GAHANNA, OHIO

SHARON PATTERSON, Admin. Asst.



Name & Title

Signature

**EXHIBIT B**

**DEVELOPMENT FEE SCHEDULE**



**DEVELOPMENT FEE SCHEDULE**

**Business & Incentive Fees**

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. All fees are payable to the City of Gahanna unless otherwise noted below.

<b>CATEGORY</b>	<b>BASE FEE</b>	<b>ADDITIONAL INFORMATION</b>
Sexually Oriented Business  <i>Application/Investigation</i> <i>Annual Business License</i> <i>Annual Business Employee License</i>	\$500.00 \$500.00 \$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 for the City of Gahanna	\$250.00	
CRA Property Tax Abatement Application Fee for the State of Ohio	Per Ohio Administrative Code	The City collects this fee and forwards it to the Ohio Development Services Agency with each approved and executed agreement. The fee must be paid by check made payable to the Ohio Development Services Agency.
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