

COMMUNITY REINVESTMENT AREA #3 AGREEMENT

This Agreement (the "Agreement") is made and entered into on _____, 2017, 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 **Trevi Enterprises LLC** ("TREVI") with its offices located at **8400 Industrial Parkway, Plain City, OH 43064**. Gahanna and TREVI 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 Chapters 3735.65 to 3735.70 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 #3; and

WHEREAS, TREVI is desirous of constructing a **262,500 square feet** warehouse/industrial facility, 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 TREVI with incentives available for the development of the Project in said Community Reinvestment Area under Chapter 3735 of the Ohio Revised Code; and

WHEREAS, TREVI 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 TREVI and has recommended the same to Gahanna City Council on the basis that TREVI 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, TREVI has remitted the required municipal application fee of \$250.00 made payable to the City of Gahanna and the state application fee of \$750.00 made payable to the Ohio Development Services Agency with the 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) TREVI shall purchase the 16.93 acres of vacant land (Parcels: **025-013638** and **025-013639**) located at **870 Claycraft Road**, Gahanna, OH, hereinafter referred to as the "**Project Site**" for \$2,120,000.
- 2) TREVI shall construct a new **262,500 square feet** warehouse/industrial building on the Project Site. The Project will involve additional investment by TREVI of approximately \$15,000,000 as described in the Application which is contained in **Exhibit A**, attached hereto and made a part hereof. TREVI reserves the right to add buildings and square footage on the Project site subject to the Tax Incentives provided in this agreement.
 - a) The estimated valuation of the site upon completion is \$16,264,000.
- 3) The Project will begin promptly upon the closing of the vacant land purchase, and all acquisition, construction and installation will be substantially complete by August 2019.
- 4) TREVI shall install a dedicated fiber optic conduit from Claycraft Road to the Project which will provide tenants the ability to gain access and utilize the GahannaNet Program, the City of Gahanna's Fiber Optic Network.

SECTION 2. EMPLOYMENT AND PAYROLL

1. TREVI shall facilitate the creation of **forty (40) full-time equivalent** permanent job opportunities ("New Jobs"), within thirty-six (36) months after completion of construction of the Project, with a minimum **annual taxable payroll of \$1,250,000** ("New Payroll") at the Project site. The aforementioned number of New Jobs must be retained through the incentive period.

SECTION 3. PROGRAM COMPLIANCE

1. TREVI 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 TREVI 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:	75%
Initial Term of Tax Abatement:	10 years

3. The exemption commences the first year for which the real property would first be taxable if the property were not exempted from taxation.
4. TREVI will comply with the tax abatement annual fee provisions pursuant to Section 3735.671(D) of the Ohio Revised Code. TREVI 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. TREVI 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 TREVI 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. TREVI, or the operating business tenants at the Project site, shall maintain a current membership in the Gahanna Area Chamber of Commerce.
7. For TREVI, 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 TREVI, 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, TREVI 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 TREVI materially fails to fulfill its obligations under this Agreement and Gahanna terminates or modifies the exemptions from taxation granted under this Agreement.

11. If TREVI 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. TREVI 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. TREVI hereby certifies that at the time this Agreement is executed, TREVI 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 TREVI is liable under Chapter 5733, 5735, 5739, 5741, 5743, 5747 or 5753 of the Ohio Revised Code, or, if such delinquent taxes are owed, TREVI 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 TREVI. 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. TREVI 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 TREVI has knowingly made a false statement to the State or Gahanna to obtain Community Reinvestment Area incentives, TREVI 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 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 TREVI, 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. TREVI 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 Anthony Jones, Housing Officer, and pursuant to Substitute Resolution No. 29-92, 17-95, Resolution 980129 and SR-0003-2005, and Ordinance No. _____-2019, has caused this instrument to be executed this _____ day of _____, 2019 and TREVI, by its duly authorized signor, has caused this instrument to be executed on this _____ day of _____, 2019.

Trevi Enterprises LLC

City of Gahanna, Ohio

By: _____
Robert J. Biondi, Managing Member

By: _____
Anthony Jones, Housing Officer

Approved as to form:

Shane W. Ewald, City Attorney



EXHIBIT A

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

Date Received: 11/1/18

CRA #: 3

Applicant Information:

Trevi Enterprises LLC
 Company Name
8400 Industrial Parkway
 Address
Plain City, OH 43064
 Phone

Robert J. Biondi
 Contact Name
Managing Member
 Contact Title
bobbiondi@rrohio.com
 Email

Project Information:

870 Claycraft Road
 Project Address
Warehouse
 Type of Business (Manufacturing, warehouse, retail sales, etc.)

025-013638 & 025-013639
 Parcel Number (Required)
 Primary Standard Industrial Code # (May also list other relevant SIC numbers)

N/A, speculative development
 If a consolidation, what are the components? (Itemize the locations, assets and employment positions to be transferred.)
The ownership of this entity is a limited liability company formed in the State of Ohio
 Form of business or enterprise (Corporation, partnership, proprietorship or franchise.)

Where is your business currently located? In State Out of State Central Ohio Gahanna
 We are confident that by locating in Gahanna, we will be able to attract high quality tenants to this speculative development

Why are you locating your business in Gahanna?
Robert J. Biondi, Lynda Fromm, Amy Biondi Huffman, Eric Shea and John Lewis
 Name of principal owner(s) or officers of the business
0
 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

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

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

N/A, speculative development
 List current employment level for each facility to be affected by the relocation of employment positions or assets

N/A, speculative development

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

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

We plan to develop an 262,500-sf warehouse/industrial facility on 17+/- acres located within the Central Park of Gahanna development

Project description

January 2019

July 2019

Date project will begin

Date project will be completed

Speculative development of a 262,500-sf warehouse/industrial facility. The project can accommodate up to 5 separate businesses (tenants). We believe that the development will spur the creation of 30 to 50 new jobs.

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.)

Three years

Time frame for projected hiring (number of years)

We anticipate within 3 years of completion, employment by the tenants will include 30 to 50 employees

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

\$1,250,000. We anticipate within 3 years of completion, employment by the tenants will include 30 to 50 employees

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.)

N/A, speculative development

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	\$ 15,000,000
Improvements to existing buildings	\$
Machinery & equipment	\$
Furniture & fixtures	\$
Inventory	\$
Other	\$
Total New Project Investment:	\$

Applicant requests the following tax exemption incentive:

100 75 % for 15 10 years

See attached

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

[Handwritten signature]
12/17/17
Per incentive proposal letter.

I certify that a tax incentive is necessary for location and/or expansion of my business in Gahanna.

Yes

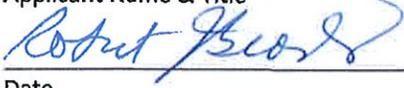
No

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.

Robert J. Biondi, Managing Member

Applicant Name & Title



Date

10/19/18

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

Emanuel Torres, ED Manager

Name & Title



Signature

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

New construction costs are driving rental rates for new speculative warehouse/industrial buildings into \$5.00/sf range. Comparable rents for spaces larger than 40,000-sf in the area are \$3.95/sf range. While we believe that new development will command a higher rent, it will not be enough to compete with existing properties in the area without tax abatement. Further, we must compete with other tax abated developments near Port Columbus and Whitehall as well as New Albany, Etna and Rickenbacker.

Handwritten signature and date