

AMENDED 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 CP Road LLC (“CP Road”), an Ohio Domestic Limited Liability Company with its appointed Statutory Agent, Paul R. Schlegel located at 2636 Berwyn Road, Upper Arlington, OH 43221. Gahanna and CP Road are collectively referred to herein as the “Parties”.

WITNESSETH:

WHEREAS, Gahanna City Council by Resolutions 3-84, 14-84, 28-92, 37-94, Substitute Resolution 24-96, and Statutory Resolutions 0006-2000, 0002-2001, 0003-2001, 0003-2003, 0005-2004 and 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 a Community Reinvestment Area #1; and

WHEREAS, CP Road is desirous of constructing a **24,000 square foot** building for office/warehouse operations at 663-693 Cross Pointe 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 CP Road with incentives available for the development of the Project in said Community Reinvestment Area under Chapter 3735 of the Ohio Revised Code; and

WHEREAS, CP Road 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 of Gahanna has investigated the Application of CP Road and has recommended the same to Gahanna City Council on the basis that CP Road 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, CP Road 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. CP Road shall construct a new 24,000 square foot building at 663-693 Cross Pointe Road, Gahanna, OH (Parcel#025-013186). The Project will involve a total investment by CP Road of \$993,394 as described in the Application.
2. The Project will begin January, 2018, and all acquisition, construction and installation will be completed by August, 2018.
3. CP Road shall install a dedicated fiber optic conduit from Cross Pointe 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. CP Road shall facilitate the creation of twenty (20) full-time equivalent permanent job opportunities ("New Jobs"), within thirty-six (36) months after completion of construction of the Project, with an average annual salary of \$45,000 ("New Payroll") at the Project site. The aforementioned number of New Jobs must be retained through the incentive period.

SECTION 3. PROGRAM COMPLIANCE

1. CP Road 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 CP Road 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:

Tax Exemption Amount: **75%**

Term of Tax Exemption: **7 years**

3. The exemption commences the first year for which the real property would be taxable if the property were not exempted from taxation.
4. CP Road will comply with the tax exemption annual fee provisions pursuant to Section 3735.671(D) of the Ohio Revised Code. CP Road 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. CP Road 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 CP Road 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. 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.
7. 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 CP Road materially fails to fulfill its obligations under this Agreement and Gahanna terminates or modifies the exemptions from taxation granted under this Agreement.
8. If CP Road 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.

9. CP Road agrees to record a Declaration of Covenants as required by Gahanna 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 to provide a copy of the recorded document to Gahanna.
10. CP Road hereby certifies that at the time this Agreement is executed, CP Road 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 CP Road is liable under Chapter 5733, 5735, 5739, 5741, 5743, 5747 or 5753 of the Ohio Revised Code, or, if such delinquent taxes are owed, CP Road 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 CP Road. 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.
11. CP Road 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 CP Road has knowingly made a false statement to the State or Gahanna to obtain Community Reinvestment Area incentives, CP Road 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.
12. Exemptions from taxation granted under this Agreement shall be revoked if it is determined that CP Road, 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.
13. This Agreement is not transferable or assignable without the express, written approval of Gahanna. The form required to seek approval from Gahanna for any future transfers or assignments is herein attached as **Exhibit C**.
14. CP Road 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.
15. 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.

16. 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 Resolutions 3-84, 14-84, 28-92, 37-94, Substitute Resolution 24-96, and Statutory Resolutions 0006-2000, 0002-2001, 0003-2001, 0003-2003, 0005-2004, 0002-2005 and Ordinance No. _____-2020 has caused this instrument to be executed this _____ day of _____, 2020 and CP Road, by its duly authorized signor, has caused this instrument to be executed on this ____ day of _____, 2020.

CP Road LLC

City of Gahanna, Ohio

By: _____
Paul Schlegel, Agent

By: _____
Housing Officer

Approved as to form:

Raymond J. Mularski, City Attorney

EXHIBIT A
CRA APPLICATION

EXHIBIT B

DEVELOPMENT FEE SCHEDULE

EXHIBIT C

ASSIGNMENT OF CRA AGREEMENT