

COMMUNITY REINVESTMENT AREA #1 AGREEMENT

This Agreement (the "Agreement") is made and entered into on May 12, 2014, 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 Eastgate Partners LLC ("Eastgate Partners LLC") with its offices located at 942-A Freeway Dr. N., Columbus, OH 43229. Gahanna and Eastgate Partners LLC are collectively referred to herein as the "Parties."

WITNESSETH;

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; and

WHEREAS, EASTGATE PARTNERS LLC is desirous of construction of 80,000 square feet building for office/warehouse operations, 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, the 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 having the appropriate authority for the stated type of project is desirous of providing EASTGATE PARTNERS LLC with incentives available for the development of the PROJECT in said Community Reinvestment Area under Chapter 3735 of the Ohio Revised Code; and

WHEREAS, EASTGATE PARTNERS LLC 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 EASTGATE PARTNERS LLC and has recommended the same to the Council of Gahanna on the basis that EASTGATE PARTNERS LLC 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 City School District (the "School District"); and

WHEREAS, the EASTGATE PARTNERS LLC has remitted the required 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. EASTGATE PARTNERS LLC shall construct a new 80,000 SQUARE FEET building at 1801-1831 Deffenbaugh Ct., Gahanna, Ohio. The PROJECT will involve a total investment by EASTGATE PARTNERS LLC of \$2,925,000.00 as described in the Application attached hereto and made a part thereof. In addition, EASTGATE PARTNERS LLC will purchase and locate within the PROJECT machinery, equipment, furniture and fixtures in the minimum amount of \$5,000 and inventory in the minimum amount of \$5,000. The machinery, equipment, furniture and fixtures, and inventory, will not be relocated from another facility within the State of Ohio.
2. The PROJECT will begin September 1, 2014, and all acquisition, construction and installation will be completed by January 1, 2015.

SECTION 2. EMPLOYMENT AND PAYROLL

3. The EASTGATE PARTNERS LLC shall create at the PROJECT, according to the schedule below, the equivalent of thirty (30) new full-time permanent job opportunities, -0- new part-time permanent job opportunities, -0- full-time temporary job opportunities and -0- part-time temporary job opportunities within forty-eight (48) months after the commencement of construction of the PROJECT.

The estimated schedule for hiring is as follows: create 0 new full-time permanent job opportunities by December 31, 2015; 10 new full-time permanent job opportunities by December 31, 2016; 10 new full-time permanent job opportunities by December 31, 2017; and 10 new full-time permanent job opportunities by August 1, 2018.

The EASTGATE PARTNERS LLC currently has -0- full-time permanent employees, -0- part-time permanent employees, -0- full-time temporary employees, and -0- part-time permanent employees at the Project Site. In total, the EASTGATE PARTNERS LLC has -0- full-time permanent employees, -0- part-time permanent employees, -0- full-time temporary employees, and -0- part-time temporary employees in the State of Ohio.

This increase in the number of full time employees will result in approximately \$750,000 of annual payroll.

SECTION 3. PROGRAM COMPLIANCE

1. EASTGATE PARTNERS LLC 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 EASTGATE PARTNERS LLC a 75% real property tax exemption pursuant to Section 3735.67 of the Ohio Revised Code for a six (6) year period for the PROJECT. The exemption commences the first year for which the real property exemption would first be taxable were that property not exempted from taxation. No exemption shall extend beyond tax year 2020/collection year 2021 (6 year exemption period).
3. The EASTGATE PARTNERS LLC will comply with the tax abatement annual fee provisions pursuant to Section 3735.671(D) of the Ohio Revised Code. The EASTGATE PARTNERS LLC 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 thirty-first of January beginning the first year of abatement.
4. EASTGATE PARTNERS LLC 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 EASTGATE PARTNERS LLC 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.
5. EASTGATE PARTNERS LLC shall maintain a current membership in the Gahanna Area Chamber of Commerce.
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 EASTGATE PARTNERS LLC materially fails to fulfill its obligations under this Agreement and Gahanna terminates or modifies the exemptions from taxation granted under this Agreement.

8. If EASTGATE PARTNERS LLC 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. EASTGATE PARTNERS LLC 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.
9. EASTGATE PARTNERS LLC hereby certifies that at the time this Agreement is executed, EASTGATE PARTNERS LLC 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 EASTGATE PARTNERS LLC is liable under Chapter 5733., 5735., 5739., 5741., 5743., 5747., 5753. of the Ohio Revised Code, or, if such delinquent taxes are owed, EASTGATE PARTNERS LLC 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 EASTGATE PARTNERS LLC. 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.
10. EASTGATE PARTNERS LLC 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 EASTGATE PARTNERS LLC has knowingly made a false statement to the State or Gahanna to obtain Community Reinvestment Area incentives, EASTGATE PARTNERS LLC shall be required immediately to return all benefits received under this Agreement pursuant to ORC 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 ORC 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.
11. Exemptions from taxation granted under this Agreement shall be revoked if it is determined that EASTGATE PARTNERS LLC, 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.
12. This Agreement is not transferable or assignable without the express, written approval of Gahanna.

13. EASTGATE PARTNERS LLC and Gahanna acknowledge that this Agreement must be approved by formal action of the City Council of Gahanna as a condition for this Agreement to take effect. This Agreement takes effect upon such approval.
14. 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.
15. 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. 0049-2014, has caused this instrument to be executed this 12th day of MAY, 2014 and EASTGATE PARTNERS LLC, by its duly authorized signor, has caused this instrument to be executed on this 25th day of July, 2014.

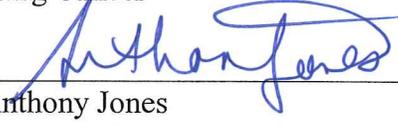
Eastgate Partners LLC

By


Mark F. Taggart

Housing Officer

By


Anthony Jones

Director of Planning & Development

Approved as to form:

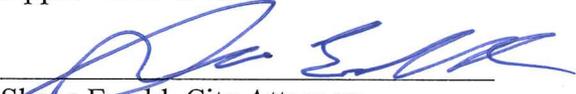

Shane Ewald, City Attorney

EXHIBIT A
CRA APPLICATION

RECEIVED
JAN 21 2014

BY: FW. 3:00

Date: January 21, 2014

CRA Area: _____

\$250 Application Fee Received: 1/21/14 Yes E.T.

\$750.00 State Filing Fee Received.
1/21/14

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 Eastgate Partners LLC.

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

Eastgate Partners LLC
Enterprise Name

Mark F. Taggart
Contact Person

942 A Freeway Dr. N.
Columbus, Ohio 43229
Address

614-846-2993
Telephone Number

- b. Project site:

025-012946-80
Parcel Number (Required)

Mark F. Taggart
Contact Person

1801-1831 Deffenbaugh Ct
Gahanna, Ohio 43230

614-846-2993/mark@mftco.com
Telephone Number / Email

614-846-4105
Fax number

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

We anticipate a combination of manufacturing, warehouse, office and wholesale retail will be conducted at the site by as many as four separate businesses(tenants).

- b. If a consolidation, what are the components of the consolidation? (must itemize the location, assets, and employment positions to be transferred. N/A, speculative development.

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

The ownership of this entity is an LLC in the State of Ohio.

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?

We are confident that by locating in Gahanna we will be able to draw quality tenants to this speculative industrial development.

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

Mark F. Taggart
Robert J. Biondi

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

N/A, speculative development

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

Yes ___ 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:

N/A, speculative development

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

N/A, speculative development

e. State the enterprise's current employment level for each facility to be affected by the relocation of employment positions or assets: N/A, speculative development

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

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
 - 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
 - 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: We plan to develop an 80,000SF state of the art industrial facility on 6.4 acres at the SE corner of Eastgate Parkway and Deffenbaugh Ct. This speculative building will accommodate as many as four businesses/enterprises (tenants) with a minimum size of 20,000SF (see attached site plan).

8. Project will begin: April 1, 2014(weather permitting) and be completed August 1, 2014 provided a tax exemption is provided.

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): Eastgate Partners LLC is the developer of the proposed 80,000s.f. office warehouse facility. This is a speculative development which will accommodate up to four (4) separate businesses/enterprises (tenants). We believe that the development of this facility will spur the creation of 30 to 50 new jobs.

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

c. State proposed schedule for hiring (itemize by full and part-time and permanent and temporary employees): We anticipate within 3 years of completion of this development employment by the businesses/enterprises (tenants) will include 30 to 50 full time employees.

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

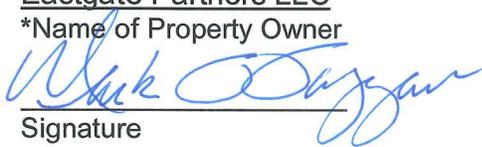
Yes No

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.

Eastgate Partners LLC
*Name of Property Owner

Signature



January 21, 2014
Date

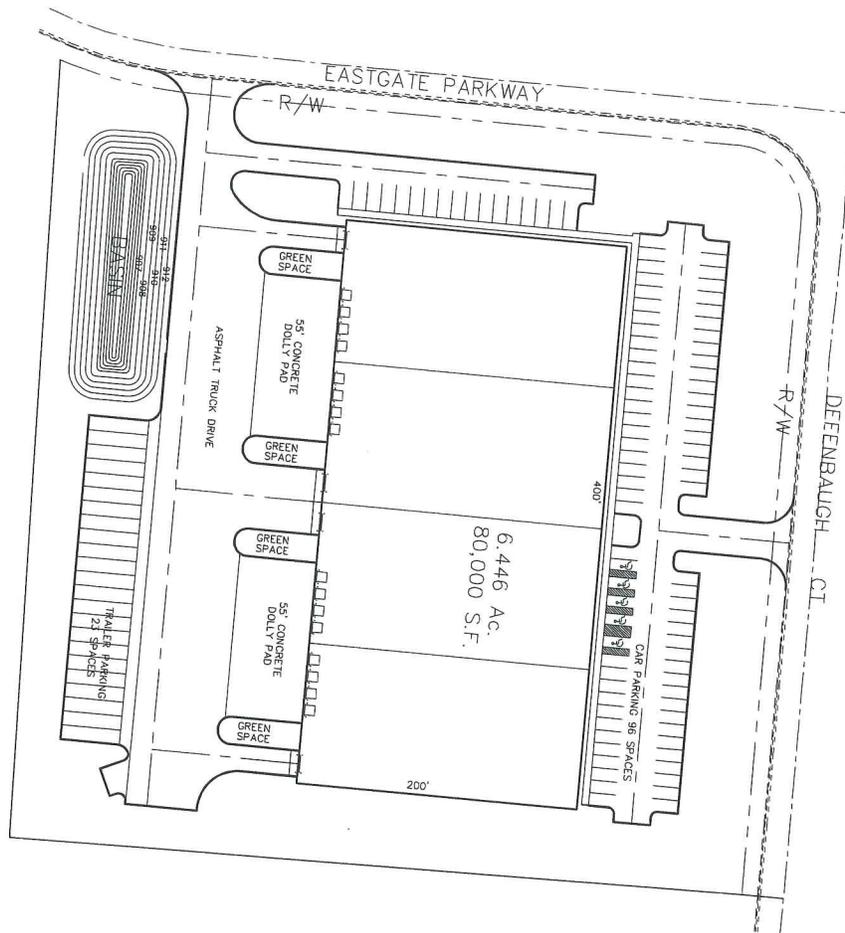
Mark F Taggart
Managing Member
Typed Name and Title

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

*Note: In contract with Deffenbaugh Investment Co LLC



Scale: 1" = 60'
 Date: 12-13-13
 Sheet: 1

FED ONE DUBLIN
 8400 INDUSTRIAL PARKWAY
 PLAIN CITY, OHIO 43064
 PHONE 614-873-0662
 FAX 614-873-2684

SITE PLAN
DEFENBAUGH COURT
GAHANNA, OHIO

Name	Revision/Issue	Date

