

COMMUNITY REINVESTMENT AREA #1 AGREEMENT

This agreement made and entered into by and between the City of Gahanna, Ohio, a municipal government, with its main offices located at 200 South Hamilton Road, Gahanna, Ohio, hereinafter referred to as Gahanna and **Barton Hall, LLC** with their main offices located at **470 Olde Worthington Road Westerville, OH 43082** hereinafter referred to as the **Party**.

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, the **Party** are desirous of construction of **approximately 15,000** square foot building for **office/warehouse**, 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 the **Party** with incentives available for the development of the PROJECT in said Community Reinvestment Area under Chapter 3735 of the Ohio Revised Code; and

WHEREAS, the **Party** has submitted a proposed agreement application, herein attached as Exhibit A, to Gahanna said application hereinafter referred to as "APPLICATION"; and

WHEREAS, the Director of Development of Gahanna has investigated the application of the **Party** and has recommended the same to the Council of Gahanna on the basis that the **Party** 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, the project site as proposed by the **Party** is located in the Gahanna-Jefferson School District and has been notified in accordance with the City of Gahanna/Gahanna-Jefferson School Compensation Agreement and Section 5709.83 and been given access to the APPLICATION; 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 Party 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 Party from the execution hereof, the Party herein agree as follows:

Section 1 Location by Corporation

1. The **Party** shall construct a new approximately **15,000 SQUARE FEET** on Cross Pointe Road, Gahanna, Ohio (Parcel # 025-012070). The PROJECT will involve a total investment by the **Party** of **\$1,450,000** as described in the application which is contained in Exhibit A, attached hereto and made a part thereof.
2. The PROJECT will begin **August 2008**, and all acquisition, construction and installation will be completed by **February 2009**.

Section 2 Payroll and Employment

1. The **Party** shall create and retain within a time period not exceeding thirty-six (36) months after the commencement of construction of the aforesaid facility, a payroll equivalent to **\$1,100,000.00** representing **20 Full Time Equivalent** job opportunities.

Section 3 Program Compliance

1. The **Party** shall provide to the proper Tax Incentive Review Council any information reasonably required by the Council and annual reports to the City of Gahanna to evaluate the property owner's compliance with the agreement, including returns filed pursuant to section 5711.02 of the Ohio Revised Code.
2. The **Party** shall each maintain a current membership in the Gahanna Area Chamber of Commerce.
3. Gahanna hereby grants the **Party** 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:

Year of Tax Exemption: **2009**

Tax Exemption Amount: **100%**

Term of Tax Abatement: **10 years**

4. Gahanna hereby grants the **Party** the tax exemption for a **10** year period and if the **Party** relinquishes their site and is no longer located in Gahanna, prior to the end of the exemption period or within **10** years after the exemption period terminates, then the City will require the **Party** to repay their share of abated taxes to the City of Gahanna at a rate of two (2) years for every one year the project was exempt.
5. The identified PROJECT improvement will receive a **10 years at 100%** exemption period. 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 **December 31, 2019**.

6. The **Party** will comply with the tax abatement annual fee provisions pursuant to Section 3735.67 (D) of the Ohio Revised Code. The **Party** 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 the agreement by the thirty-first of January post the year of abatement.
7. The **Party** agrees to pay additional compensation to Gahanna to meet the requirements of the Gahanna School Compensation Agreement; in the event the fifty percent of the exempted property taxes for this site for the Gahanna-Jefferson School District exceeds the fifty percent of the collected payroll tax from the **Party**, the **Party** agrees to pay the difference to Gahanna. If necessary, this fee shall be paid once per year for each effective year of the agreement by the fifteenth of June post the year of abatement.
8. The **Party** 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 the **Party** 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.
9. The **Party** shall perform such acts as are reasonably necessary or appropriate to affect, 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 rescinded by the City of Gahanna, entitlements granted under this agreement shall continue for the number of years specified under this agreement, unless the **Party** materially fails to fulfill its obligations under this agreement and Gahanna terminates or modifies the exemptions from taxation granted under this agreement.
11. If the **Party** 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.
12. The **Party** hereby certifies that at the time this agreement is executed, the **Party** 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 the **Party** is liable under Chapter 5733, 5735, 5739, 5741, 5743, 5747, 5753 of the Ohio Revised Code, or, if such delinquent taxes are owed, the **Party** 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 the **Party**. 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. The **Party** affirmatively covenants that they have made no false statements to the State or City of Gahanna in the process of obtaining approval for Community Reinvestment Area incentives. If any representative of the **Party** has knowingly made a false statement to the State or City of Gahanna to obtain Community Reinvestment Area incentives, the **Party** shall be required immediately to return all benefits received under the Community Reinvestment Area 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.
14. This agreement is not transferable or assignable without the express, written approval of the City of Gahanna.

IN WITNESS WHEREOF, the City of Gahanna, Ohio, by Sadicka White, Housing Officer, and pursuant to Resolution Nos. 3-84, 14-84, 28-92, 37-94, 24 -96 and SR3-2003, has caused this instrument to be executed this ____ day of _____, ____ and the **Party**, have caused this instrument to be executed on this ____ day of _____, _____.

Barton Hall, LLC

By _____
Donald Kenney Jr.
Authorized Representative

Housing Officer

By _____
Sadicka White
Director of Planning & Development

Approved as to form:

Thomas L. Weber, City Attorney