

### **COMMUNITY REINVESTMENT AREA #3 AGREEMENT**

This Agreement (the "Agreement") is made and entered into on \_\_\_\_\_, 2016, 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 Chippewa Building LLC ("Chippewa") with its offices located at 78 Northpointe Drive, Lake Orion, MI 48359. Gahanna and Chippewa Building 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 Community Reinvestment Area #3; and

WHEREAS, Chippewa is desirous of constructing a 12,000 square foot distribution/warehouse building, 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 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 having the appropriate authority for the stated type of project is desirous of providing Chippewa with incentives available for the development of the Project in said Community Reinvestment Area under Chapter 3735 of the Ohio Revised Code; and

WHEREAS, Chippewa 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 Chippewa and has recommended the same to Gahanna City Council on the basis that Chippewa 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, Chippewa 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. Chippewa shall purchase the **2.957 ACRES** vacant land parcel (**#025-013633**) located on Taylor Road, Gahanna, OH and construct a new **12,000 SQUARE FOOT** building on site. The Project will involve a total investment by Chippewa of **\$1,800,000** as described in the Application which is contained in Exhibit A, attached hereto and made a part hereof. In addition, Chippewa will relocate all assets to the new facility once constructed.
2. The Project will begin **September, 2016**, and all acquisition, construction and installation will be completed by **July, 2017**.

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

1. Chippewa shall retain the current employment level of **7 full-time and 1 part-time** job opportunities, with a minimum annual payroll equivalent to **\$675,000**.

### **SECTION 3. PROGRAM COMPLIANCE**

1. Chippewa 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 Chippewa 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:

First Year of Tax Exemption: **2018**

Tax Exemption Amount: **50%**

Term of Tax Abatement: **10 years**

If Chippewa relinquishes its 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 Gahanna will require Chippewa 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.

3. The exemption commences the first year for which the real property would first be taxable if the property were not exempted from taxation after improvements are completed and fully assessed.

No exemption shall commence after 2018 nor last beyond 10 years from the year the exemption begins.

4. Chippewa will comply with the tax abatement annual fee provisions pursuant to Section 3735.671(D) of the Ohio Revised Code. Chippewa 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. Chippewa 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 Chippewa 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. Chippewa, or the operating business tenant at the Project site, shall maintain a current membership in the Gahanna Area Chamber of Commerce.
7. 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.
8. 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 Chippewa materially fails to fulfill its obligations under this Agreement and Gahanna terminates or modifies the exemptions from taxation granted under this Agreement.
9. If Chippewa 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. Chippewa 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.
10. Chippewa hereby certifies that at the time this Agreement is executed, Chippewa 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 Chippewa is liable under Chapter 5733, 5735, 5739, 5741, 5743, 5747 or 5753 of the Ohio Revised Code, or, if such delinquent taxes are owed, Chippewa 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 Chippewa.

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. Chippewa 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 Chippewa has knowingly made a false statement to the State or Gahanna to obtain Community Reinvestment Area incentives, Chippewa 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.
12. Exemptions from taxation granted under this Agreement shall be revoked if it is determined that Chippewa, 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.
14. Chippewa 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 Anthony Jones, Housing Officer, and pursuant to Substitute Resolution No. 29-92, 17-95, Resolution 980129 and SR-0003-2005, and Ordinance No. \_\_\_\_\_-2016, has caused this instrument to be executed this \_\_\_\_\_ day of \_\_\_\_\_, 2016 and Chippewa, by its duly authorized signor, has caused this instrument to be executed on this \_\_\_\_\_ day of \_\_\_\_\_, 2016.

**Chippewa Building LLC**

**City of Gahanna, Ohio**

By: \_\_\_\_\_  
James L. Bell

By: \_\_\_\_\_  
Anthony Jones, Housing Officer

Approved as to form:

\_\_\_\_\_  
Shane W. Ewald, City Attorney

**EXHIBIT A**  
**CRA APPLICATION**

Received

Date: 6/23/16

CRA Area: 3

\$250 Application Fee Received:

\$750 Filing Fee Received:

**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 Chippewa Building LLC

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

Chippewa Building LLC  
Enterprise Name  
(Bell Equipment Company)  
78 Northpointe Drive  
Address  
Lake Orion MI 48359

James Bell  
Contact Person  
248-705-1351  
Telephone Number

- b. Project site:

025-013633  
Parcel Number (Required)

James Bell  
Contact Person

2.95 acres of vacant land  
Address  
Taylor Rd Lot #3

248-705-1351  
Telephone Number / Email  
248-370-0011  
Fax number

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

Distribution of sanitation and recycling equipment.

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

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

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

LLC

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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?

Gahanna offers a preferable geographic location in  
regards to the City of Columbus and the State of  
Ohio in general.

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

James Bell

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

Full time - 7

Part time - 1

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

Yes X 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:

Assets and employees will be transferred from  
850 Science Blvd in Gahanna to new location on  
Taylor Road.

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

Full time - 7

Part time - 1

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e. State the enterprise's current employment level for each facility to be affected by the relocation of employment positions or assets: \_\_\_\_\_

Full time - 7  
Part time - 1

f. What is the projected impact of the relocation, detailing the number and type of employees and/or assets to be relocated? \_\_\_\_\_

All assets and all employees will be relocated.

6. Does the Property Owner owe:

a. Any delinquent taxes to the State of Ohio or a political subdivision of the state?  
Yes \_\_\_ No X

b. Any moneys to the State or a state agency for the administration or enforcement of any environmental laws of the state?  
Yes \_\_\_ No X

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 X

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: Construction of a new building (12,000 sq. Ft.)  
for the Ohio office of Bell Equipment Company.

*[Signature]*  
8/4/16

8. Project will begin: September, 2016 and be completed  
February July, 2017 provided a tax exemption is provided.

*[Signature]*  
8/4/16

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): 0

b. State the time frame of this projected hiring:                   -                   yrs.

c. State proposed schedule for hiring (itemize by full and part-time and permanent and temporary employees): N/A

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

10. a. Estimate the amount of annual payroll new employees will add \$ 0  
(new annual payroll must be itemized by full and part-time and permanent and temporary new employees). \_\_\_\_\_

b. Indicate separately the amount of existing annual payroll relating to any job retention claim resulting from the project: \$ 675,000

\_\_\_\_\_  
\_\_\_\_\_

11. An estimate of the amount to be invested by the enterprise to establish, expand, renovate or occupy a facility:

- A. Acquisition of Buildings: \$ \_\_\_\_\_
- B. Additions/New Construction: \$ 1,800,000
- C. Improvements to existing buildings: \$ \_\_\_\_\_
- D. Machinery & Equipment: \$ \_\_\_\_\_
- E. Furniture & Fixtures: \$ \_\_\_\_\_
- F. Inventory: \$ \_\_\_\_\_
- G. Other: \$ \_\_\_\_\_

**Total New Project Investment:** \$ 1,800,000

12. a. Business requests the following tax exemption incentives: 50 % for 10 years covering real as described above. Be specific as to the rate, and term.

b. Business's reasons for requesting tax incentives (be quantitatively specific as possible; attach any supporting documents)

We are a closely held business looking to make an investment in the city while minimizing our risk and exposure. Buying a building assumes a higher level of risk in lieu of being a lease tenant. This tax incentive greatly helps us to be able to make this investment.

\_\_\_\_\_  
\_\_\_\_\_

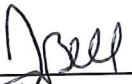
13. I certify that a tax incentive is necessary for location and or expansion of my business in Gahanna.  
 Yes       No

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.

Chippewa Building LLC  
Name of Property Owner

6/16/16  
Date

\_\_\_\_\_  
  
Signature

\_\_\_\_\_  
James Bell 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