

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 **G & N Enterprise Ltd.** with their main offices located at **1625 Eastgate Parkway, Gahanna, OH 43230** 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 #1; and

WHEREAS, the **Party** has constructed a **8,000 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 City 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** has constructed a new approximately **8,000 square foot** building on Eastgate Parkway, Gahanna, Ohio (Parcel # 025-013452). The PROJECT involved a total investment by the **Party** of **\$772,574** as described in the application which is contained in Exhibit A, attached hereto and made a part thereof.
2. The PROJECT began in **June 2007**, and all acquisition, construction and installation was completed by **October 2007**.

Section 2 Payroll and Employment

1. The **Party** shall create and retain within a time period not exceeding thirty-six (36) months after the execution of this agreement by the **Party** and Gahanna, a payroll equivalent to **\$1,120,000** representing up to **19 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 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: **2010**

Tax Exemption Amount: **75%**

Term of Tax Abatement: **7 years**

4. Gahanna hereby grants the **Party** the tax exemption for a **7-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 **7 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 **75%, 7 year** exemption period. No exemption shall extend beyond **December 31, 2016**.
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 _____, _____.

G&N Enterprise Ltd.

By _____
Fred D. Galiardi
Authorized Representative

Housing Officer

By _____
Sadicka White
Director of Planning & Development

Approved as to form:

Thomas L. Weber, City Attorney

Date: 3/16/10

CRA Area: #1

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 GEN Enterprise LTD. Electric SOLUTIONS INC. Tenant.

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

GEN Enterprise LTD.
Enterprise Name

FRED Douglas Cabardi
Contact Person

1625 EASTGATE Parkway
Address
GAHANNA, Ohio 43230

614-577-1188
Telephone Number

- b. Project site:

025-013452-90
Parcel Number (Required)

FRED Douglas Cabardi
Contact Person

1625 EASTGATE Parkway
Address
GAHANNA, Ohio 43230

doug@electricsolutionsinc.com
Telephone Number / Email
614-577-1106
Fax number

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

GEN Enterprise LTD. is an LLC that was formed to construct our 15th facility in Whitehall and subsequently this facility in Gahanna

- 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).

GEN ENTERPRISE LTD IS AN LLC (OWNER)

ELECTRIC SOLUTIONS INC. (TENANT) IS A CORPORATION

3. a. Where is your business currently located?

- ☐ In State ☒ Central Ohio ☐ Gahanna
☐ Out of State

UNTIL 10/2007 AND WE ARE CURRENTLY IN OUR GAHANNA FACILITY.
b. Why are you locating your business in Gahanna?

OUR WHITEHALL LOCATION WAS TOO SMALL AND WE WERE NOT ABLE TO SECURE OUR TRUCK AND EQUIPMENT FROM THEFT AND VANDALISM. WE HAVE BEEN GAHANNA RESIDENTS SINCE 1988 AND WANTED TO MOVE OUR BUSINESS TO OUR HOME TOWN.

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

FRED DOUGLAS GALIMARDI 100% OWNER OF GEN ENTERPRISE LTD.

FRED DOUGLAS GALIMARDI 60% OWNER OF ELECTRIC SOLUTIONS INC.
DAVE GALIMARDI 40% " " " " "

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

AS OF OCTOBER 2007 ELECTRIC SOLUTIONS EMPLOYED
21 FULL-TIME AND 3 PART-TIME EMPLOYEES.

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

Yes ☒ No ☐ THIS OCCURRED IN OCTOBER 2007

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:

1. ALL OF EMPLOYEES WERE RELOCATED.
TO THE GAHANNA LOCATION.

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

As of October 2007 All 24 Employees were Relocated
To Gahanna, Due to The economic downturn
in The construction industry we currently
employ 14 Full Time and 2 part-time.

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

As of October 2007 our 4651 both Rd location
was closed and all current employees, assets
inventory and equipment was relocated
to 16251 Eastgate Parkway, Gahanna

f. What is the projected impact of the relocation, detailing the number and type of employees and/or assets to be relocated? We projected 30-35

Full Time employees.

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

All of our property taxes were
current @ our Whitehall location

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: We constructed a 8000 SF office/warehouse
secured fenced yard facility on 2.035 Acres. The
facility will be use as the corporate offices of
Electric Solutions Inc for administrative offices
warehouse and secured storage of inventory
job supplies and equipment.

8. Project will begin: 6/1, 2007 and be completed

10/15, 2007 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):

b. State the time frame of this projected hiring: 10 yrs.

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

Electric Solutions Inc

5-10 Full Time Electricians

1-3 Clerical

1 Office

10. a. Estimate the amount of annual payroll new employees will add \$
(new annual payroll must be itemized by full and part-time and permanent and temporary new employees). Full Time \$250,000 TO \$450,000 for
Electricians and \$30,000 TO \$90,000 for Clerical
\$50,000 TO \$70,000 for office.
- b. Indicate separately the amount of existing annual payroll relating to any job retention claim resulting from the project: \$ 940,000

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

A.	Acquisition of Buildings:	\$ <u>0-</u>
B.	Additions/New Construction:	\$ <u>581,335-</u>
C.	Improvements to existing buildings:	\$ <u>0-</u>
D.	Machinery & Equipment:	\$ <u>0-</u>
E.	Furniture & Fixtures:	\$ <u>4500-</u>
F.	Inventory:	\$ <u>30,000-</u>
G.	Other: <u>(Fees) Gahanna</u>	\$ <u>31,113.00</u>

+ Land
\$152,625

Total New Project Investment:

\$ 645,948-

\$772,573.80

12. a. Business requests the following tax exemption incentives: 100 % 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)

This Tax Abatement was included in our long-term operating budget. If not for the 10% for 10 year abatement on improvements we would not have considered this site for our facility. Without this tax abatement our cost per year will increase by \$11,855-. With the economic downturn this is not possible for us to absorb this cost.

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.

Gen Enterprise LTD.
Name of Property Owner

3/16/10
Date

1625 Eastgate Parkway.

Gahanna, Oh 43030

[Signature]
Signature

Fred D. Cabini
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

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):

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

c. State proposed schedule for hiring (itemize by full and part-time and permanent and temporary employees): ELECTRIC SOLUTIONS INC.

3 Full-time Electricians

3 Temporary Seasonal Electricians

1 Clerical

PD 3/10/10

10. a. Estimate the amount of annual payroll new employees will add \$ 240,000 (new annual payroll must be itemized by full and part-time and permanent and temporary new employees). \$150,000 Full-time Electricians, \$60,000 Temporary Electricians, \$30,000 Clerical.

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

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:	\$ _____
C. Improvements to existing buildings:	\$ _____
D. Machinery & Equipment:	\$ _____
E. Furniture & Fixtures:	\$ _____
F. Inventory:	\$ _____
G. Other:	\$ _____

Total New Project Investment: \$ _____

12. a. Business requests the following tax exemption incentives: _____ % for _____ 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)

