

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

This Agreement (the "Agreement") is made and entered into on \_\_\_\_\_, 2017, 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 Franklin Peak LLC ("Developer") with its offices located at \_\_\_\_\_.  
Gahanna and Developer are collectively referred to herein as the "Parties."

WITNESSETH:

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 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, Developer is desirous of constructing a 50,000 square foot office 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 having the appropriate authority for the stated type of project is desirous of providing Developer with incentives available for the development of the Project in said Community Reinvestment Area under Chapter 3735 of the Ohio Revised Code; and

WHEREAS, Developer 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 Developer and has recommended the same to Gahanna City Council on the basis that Developer 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, Developer 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. Developer shall purchase the 4.4 acres of vacant land (Parcels: 025-013668, 027-000114, 025-006469) located at 785 Science Boulevard, Gahanna, OH, hereinafter referred to as the "Project Site" for \$300,000 that is to be paid in equal annual installments over a 15 year period.
2. Developer shall construct a new 50,000 square foot building on site ("Project"). The Project will involve a total investment by Developer of approximately \$6,000,000 as described in the Application which is contained in Exhibit A, attached hereto and made a part hereof. Developer reserves the right to add buildings and square footage on the Project site subject to the Tax Incentives provided in this agreement.
3. The Project will begin promptly upon the closing of the vacant land purchase, and all acquisition, construction and installation will be substantially complete within 18 months.

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

1. Developer shall assist the operating business tenants at the Project Site to retain 131 full-time jobs with an average annual salary of \$71,641 during the first year on the Project Site, hereinafter referred to as "Retained Jobs".
2. Developer shall assist the operating business tenants at the Project Site to create 27 full-time jobs over a five year period on the Project Site, hereinafter referred to as "Created Jobs".
3. Developer may assist the operating business tenants at the Project Site to create an additional 27 full-time jobs at the end of a 12 year period, hereinafter referred to as "Additional Created Jobs".

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

1. Developer 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 Developer 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:

Tax Exemption Amount:	100%
Initial Term of Tax Abatement:	12 years
Expanded Term of Tax Abatement:	3 years

If Developer can certify that at the end the Initial Term of the Tax Abatement, the Project Site has an employment level that is equal to or greater than the sum of the Retained Jobs, Created Jobs and the Additional Created Jobs, then the City will grant the Developer the Expanded Term of Tax Abatement.

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.
4. Developer will comply with the tax abatement annual fee provisions pursuant to Section 3735.671(D) of the Ohio Revised Code. Developer 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. Developer 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 Developer 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. Developer, or the operating business tenants 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 Developer materially fails to fulfill its obligations under this Agreement and Gahanna terminates or modifies the exemptions from taxation granted under this Agreement.
9. If Developer 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. Developer agrees to record this Agreement 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. Developer hereby certifies that at the time this Agreement is executed, Developer 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 Developer is liable under Chapter 5733, 5735, 5739, 5741, 5743, 5747 or 5753 of the Ohio Revised Code, or, if such delinquent taxes are owed, Developer 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 Developer. 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. Developer 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 Developer has knowingly made a false statement to the State or Gahanna to obtain Community Reinvestment Area incentives, Developer 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 Developer, 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. Developer 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.
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. \_\_\_\_\_-2017, has caused this instrument to be executed this \_\_\_\_\_ day of \_\_\_\_\_, 2017 and Developer, by its duly authorized signor, has caused this instrument to be executed on this \_\_\_\_\_ day of \_\_\_\_\_, 2017.

**Developer**

**City of Gahanna, Ohio**

By: \_\_\_\_\_  
Wil Schulze

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

Approved as to form:

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

**EXHIBIT A**

**CRA APPLICATION**

Date: \_\_\_\_\_

CRA Area: \_\_\_\_\_

\$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 Franklin Peak LLC.

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

Franklin Peak LLC  
Enterprise Name

William Schulze  
Contact Person

7574 Danbridge Way  
Address  
Westerville, OH 43082

614-975-6849 mobile  
Telephone Number

- b. Project site:

025-013668, 027-000114, 025-006469  
Parcel Number (Required)

William Schulze  
Contact Person

785 Science Boulevard  
Address  
Gahanna, OH 43230

614-975-6849 wil.schulze@gmail.com  
Telephone Number / Email  
614-472-0846  
Fax number

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

\_\_\_\_\_  
Office, beverage production, distribution, and sales, restaurant, and retail,  
\_\_\_\_\_  
\_\_\_\_\_

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

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

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?  
Existing relationships

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

William Schulze

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

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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:

Gahanna to Gahanna

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

130

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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: \_\_\_\_\_

130

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

130 Engineers, Technicians, software developers, and supporting staff

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: multi story office building with potential for event/restaurant on roof  
Second building with brewery operations

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

8. Project will begin: May, 2018 and be completed  
December, 31, 2019 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): 27

b. State the time frame of this projected hiring: 5 yrs.

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

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10. a. Estimate the amount of annual payroll new employees will add \$ \$40,000/hire (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: \$ \_\_\_\_\_

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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:	\$	<u>6,000,000</u>
C.	Improvements to existing buildings:	\$	_____
D.	Machinery & Equipment:	\$	<u>250,000</u>
E.	Furniture & Fixtures:	\$	<u>500,000</u>
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)

See Community Reinvestment Area#3 Agreement

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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.

Franklin Peak LLC  
Name of Property Owner

9/22/17  
Date

  
Signature

William Schulze, 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.

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City of Gahanna