

COMMUNITY REINVESTMENT AREA #1 AGREEMENT

This Agreement ("Agreement") is made and entered into on _____, 2019, 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 **Premier Holding Group LLC** ("PREMIER"), an Ohio Domestic Limited Liability Company with its appointed Statutory Agent, **Vilayphone Thawngmung** located at **4418 Summit View Road, Dublin, OH 43016**. Gahanna and PREMIER are collectively referred to herein as the "Parties".

WITNESSETH:

WHEREAS, Gahanna City Council by Resolution Nos. 3-84, 13-84, 14-84, 28-92, 37-94, Substitute Resolution 24-96 and SR-0006-2000, SR-0002-2001, SR-0003-2001, SR-0003-2003, SR-0005-2004 and SR-0002-2005 designated the area as Community Reinvestment Area #1 pursuant Chapter 3735 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 a Community Reinvestment Area #1; and

WHEREAS, PREMIER is desirous of constructing approximately **6,300 square feet** of office space on parcel **#027-000143** located at **610 Taylor Station Road**, Gahanna, OH 43230, 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 PREMIER with incentives available for the development of the Project in said Community Reinvestment Area under Chapter 3735 of the Ohio Revised Code; and

WHEREAS, PREMIER 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 PREMIER and has recommended the same to Gahanna City Council on the basis that PREMIER 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, PREMIER has remitted the required municipal application fee of \$250.00 made payable to the City of Gahanna and the required state application fee of \$750.00 made payable to the Ohio

Development Services Agency (“ODSA”) with the ODSA 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) PREMIER is considering the purchase of 1.03 acres of vacant property located at 610 Taylor Station Road in the City of Gahanna, parcel #027-000143 (“Project Location”).
- 2) PREMIER shall construct a new 6,300 square foot office building at the Project Location and will have an approximate total investment of \$901,674 as described in the Application.
 - a) The estimated valuation of the site upon completion is \$792,753.
- 3) The Project will begin December, 2018, and all acquisition, construction and installation will be completed by October, 2019.
- 4) PREMIER shall install a dedicated fiber optic conduit from Taylor Station Road to the Project which will provide tenants the ability to gain access and utilize the GahannaNet Program, the City of Gahanna’s Fiber Optic Network.

SECTION 2. EMPLOYMENT AND PAYROLL

- 1) PREMIER will facilitate the relocation of approximately 165 full-time equivalent jobs from the City Columbus as part of the Project (“Relocated Jobs”).
- 2) The Relocated Jobs will generate a minimum of \$2,784,375 in taxable payroll at the Project Location as a result of the relocation (“Relocated Payroll”).
 - a) The minimum income tax withholding amount to be generated at the Project Location from the Relocated Payroll shall be \$41,766 (“Relocated Withholding”).
- 3) To mitigate the risk of income tax withholding generation, PREMIER will make an annual Minimum Service Payment in the amount equal to any shortfall from the Relocated Withholding to the City during the incentive period (“MSP”).
- 4) PREMIER will facilitate the creation of approximately 12 new full-time equivalent jobs within thirty-six (36) months after completion of construction of the Project with an average salary of \$37,457 in taxable payroll at the Project Location (“New Jobs”).

- 5) The aforementioned number of New and Relocated Jobs and their respective payroll withholding must be retained through the incentive period.

SECTION 3. PROGRAM COMPLIANCE

1. PREMIER shall provide to the Tax Incentive Review Council any information reasonably required and annual reports 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 PREMIER 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: **75%**
Term of Tax Exemption: **15 years**

3. The exemption commences the first year for which the real property would be taxable if the property were not exempted from taxation.
4. PREMIER will comply with the tax exemption annual fee provisions pursuant to Section 3735.671(D) of the Ohio Revised Code. PREMIER 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, herein attached as Exhibit B. 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 exemption.
5. PREMIER 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 PREMIER 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. PREMIER, or the operating business tenants at the Project, shall maintain a current membership in the Gahanna Area Chamber of Commerce.
7. For PREMIER to remain eligible for any benefit to be derived from the terms of this Agreement, PREMIER and operating business tenants at the Project shall, for the length of the incentive term, file Annual Municipal Net Profit Returns with Gahanna, or its designee, in order for Gahanna to verify the information provided therein.
8. Should PREMIER, and operating business tenants at the Project, file the Annual Municipal Net Profit Returns through the Ohio Business Gateway or through some other means directed by the Ohio Tax Commissioner pursuant to Ohio Regulation 5703-41-1 rather than directly with Gahanna, PREMIER will forfeit eligibility to receive the property tax abatement incentive benefit for that Reporting Year.

9. 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.
10. 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 PREMIER materially fails to fulfill its obligations under this Agreement and Gahanna terminates or modifies the exemptions from taxation granted under this Agreement.
11. If PREMIER materially fails to fulfill its obligations under this Agreement, or if Gahanna determines that the certification as to the delinquent taxes required by this 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. PREMIER agrees to record a Declaration of Covenants as required by Gahanna 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 and to provide a copy of the recorded document to Gahanna.
13. PREMIER hereby certifies that at the time this Agreement is executed, PREMIER 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 PREMIER is liable under Chapter 5733, 5735, 5739, 5741, 5743, 5747 or 5753 of the Ohio Revised Code, or, if such delinquent taxes are owed, PREMIER 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 PREMIER. 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.
14. PREMIER 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 PREMIER has knowingly made a false statement to the State or Gahanna to obtain Community Reinvestment Area incentives, PREMIER 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 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 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.
15. Exemptions from taxation granted under this Agreement shall be revoked if it is determined that PREMIER, 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.

16. This Agreement is not transferable or assignable without the express, written approval of Gahanna, which shall not be unreasonably withheld. The form required to seek approval from Gahanna for any future transfers or assignments is herein attached as **Exhibit C**.
17. PREMIER 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.
18. 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.
19. 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, 13-84, 14-84, 28-92, 37-94, Substitute Resolution 24-96 and SR-0006-2000, SR-0002-2001, SR-0003-2001, SR-0003-2003, SR-0005-2004, SR-0002-2005 and Ordinance No. _____-2019, has caused this instrument to be executed this _____ day of _____, 2019 and PREMIER, by its duly authorized signor, has caused this instrument to be executed on this _____ day of _____, 2019.

PREMIER LLC

City of Gahanna, Ohio

By: _____
Vilayphone Thawnghmung, Agent
(*Authorized Signature*)

By: _____
Anthony Jones, Housing Officer

Approved as to form:

Shane W. Ewald, City Attorney

EXHIBIT A



Community Reinvestment Area Incentive Application
City of Gahanna Planning & Development Department
200 S. Hamilton Road, Gahanna, OH 43230 Phone: (614) 342-4015

Date Received: _____

CRA #: _____

Applicant Information:

Premier Holding Group, LLC.

Company Name

4418 Summit View Rd Dublin, OH 43016

Address

(614)327-7630

Phone

Vila Thawngmung

Contact Name

President

Contact Title

nanthavong@aol.com

Email

Project Information:

610 Taylor Station Rd. Gahanna, OH 43230

Project Address

Office Building

Type of Business (Manufacturing, warehouse, retail sales, etc.)

027-000143

Parcel Number (Required)

Primary Standard Industrial Code # (May also list other relevant SIC numbers)

If a consolidation, what are the components? (Itemize the locations, assets and employment positions to be transferred.)

Limited Liability Company

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

Where is your business currently located? ☐ In State ☐ Out of State ☒ Central Ohio ☐ Gahanna

Renting in Columbus, but we will own the building in Gahanna & it'll be our permanent location.

Why are you locating your business in Gahanna?

Vila Thawngmung, Keah Chilton, and Sopheap Som.

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

\$2.78 Million

Current employment level at the proposed project site

Will the project involve the relocation of employment positions or assets from one Ohio location to another? ☒ Yes ☐ No

Employees will be based in Gahanna instead of Columbus.

If yes, state the locations from which employment positions and assets will be relocated from/to.

165 full-time equivalent from Columbus will be based from Gahanna instead.

Company's current employment level in Ohio (itemize by full-time, part-time, permanent and temporary employees)

165 full-time equivalent

List current employment level for each facility to be affected by the relocation of employment positions or assets

165 full-time equivalent, equals \$2.78 Million

Projected impact of the relocation, detailing the number and type of employees and/or assets to be relocated

Does the Applicant owe any of the following:

Delinquent taxes to the State of Ohio or a political subdivision of the state?

☐ Yes

☒ No

Any monies to the State or a state agency for the administration or enforcement of any environmental laws of the state?

☐ Yes

☒ No

Any other monies 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

If yes to any of the above, please provide complete details of each instance including the location, amounts and/or case numbers.

Office Building

Project description

January 2019

July 2019

Date project will begin

Date project will be completed

20 part-time employees

Estimated number of **NEW** employees the Applicant will cause to be created at the facility that is the project site. (Separate job creation projection by the name of the employer and itemize by full-time, part-time, permanent and temporary employees.)

1 year

Time frame for projected hiring (number of years)

Some full time, some part-time

Proposed schedule for hiring (itemize by full-time, part-time, permanent and temporary employees.)

Estimating \$500,000 worth of new payroll part-time

Estimate the amount of annual payroll **NEW** employees will add. (New annual payroll must be itemized by full-time, part-time, permanent and temporary employees.)

\$2.8 Million existing payroll

Indicate separately the amount of existing annual payroll relating to any job retention claim resulting from the project.

Estimate the amount to be invested by the Applicant to establish, expand, renovate or occupy a facility:

Acquisition of buildings	\$
Additions/new construction	\$ 772,538
Improvements to existing buildings	\$
Machinery & equipment	\$
Furniture & fixtures	\$
Inventory	\$
Other	\$ 162,000 (Land)
Total New Project Investment:	\$ 934,538

Applicant requests the following tax exemption incentive: 75 % for 15 years

Not able to pay property tax on it's own, we are a new entity owning our 1st building.

Reasons for requesting tax incentive (Be as specific as possible and attach any supporting documentation.)

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 authorized the City of Gahanna to contact the Ohio Environmental Protection Agency to confirm statements contained within this application and to review applicable confidential records. As part of this application, the Applicant 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 City of Gahanna. 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 Ohio Revised Code Section 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 assistant benefits as well as a fine of not more than \$1,000 and/or a term of imprisonment of not more than six months.

Premier Holding Group, LLC. (Vila Thawngghmung, President)

Applicant Name & Title

12-11-2018

Date

Signature

The City of Gahanna will assume responsibility for notification to the affected Board of Education.

This application will be attached to the Community Reinvestment Area Agreement as Exhibit A.

CITY OF GAHANNA, OHIO

Name & Title

Signature

EXHIBIT B

CITY OF GAHANNA - DEVELOPMENT FEE SCHEDULE Business & Incentive Fees

Valid beginning August 15, 2016

A fee is charged to recover the City's administrative costs for enforcement of codes related to building, development, electrical, plumbing, and mechanical permits and zoning applications and processing.

Authority to assess such fees is contained within City Code Chapter 148.

All fees are due and payable at time of submission and are non-refundable subject to City Code Chapter 148.

CATEGORY	BASE FEE	ADDITIONAL FEE
Sexually Oriented Business		
<i>Application/Investigation</i>	\$500.00	
<i>Annual Business License</i>	\$500.00	
<i>Annual Business Employee License</i>	\$100.00	
CRA Property Tax Abatement Annual Fee	\$0.00	1% of the amount of taxes abated for the previous reporting year; minimum \$100 and maximum \$2,500
CRA Property Tax Abatement Application Fee	\$250.00	
Office & Industrial Incentive Application Fee	\$150.00	

EXHIBIT C

City of Gahanna Housing Officer

City of Gahanna

200 S. Hamilton Road

Gahanna, OH 43230

Re: Tax Abatement for _____

To Whom It May Concern:

This letter is intended to advise the City of Gahanna of my intention to sell the commercial building I own at _____ to _____ (BUYER).

As the authorized representative of _____ and as the owner of _____, I, _____, hereby assign and transfer all rights, obligations, and terms remaining under the tax abatement agreement for said property to the above Buyer, subject to the approval of the City of Gahanna, below. This assignment is effective on the date that the purchase is completed and final.

Date: _____

Authorized Representative of Seller including contact information

As the Buyer of _____, the undersigned agrees to assume all rights, obligations, and terms remaining under the Community Reinvestment Area Agreement dated for _____ completed and final transfer of title occurs to the undersigned.

Date: _____

Authorized Representative of Buyer including contact information

The City of Gahanna hereby approves of this assignment of the Community Reinvestment Area Agreement, to the above Buyer per Section 3, Item 11 of the Community Reinvestment Area Agreement, as amended, regarding the property at _____.

Date: _____

City Housing Officer