

CRA AGREEMENT

COMMUNITY REINVESTMENT AREA AGREEMENT

This agreement made and entered into by and between the City London Ohio, a municipal corporation, with its main office located at 20 S. Walnut St. London, Ohio (hereinafter referred to as "City") and Paul Gross and assignees, a developer and property owner with its main offices located 1150 US 42 SE, London Ohio 43140, (hereinafter referred to as "Owner ").

WITNESSETH;

WHEREAS, City of London 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 Owner is desirous of constructing a new seventy thousand (70,000 +/-) square foot independent living apartment facility with clubhouse, constructing approximately sixty-six (66) villa-style condominiums, and constructing a seven thousand two hundred (7,200 +/-) square foot restaurant and banquet center (hereinafter referred to as the "PROJECT"), incorporated 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 Council of London, Ohio by Ordinance 137-19 adopted on 06/20/2019, designated the area as a "Community Reinvestment Area" pursuant Chapter 3735 of the Ohio Revised Code; and

WHEREAS, effective 08/15/2019, the Director of Development of the State of Ohio determined that the aforementioned area designated in said Ordinance 137-19 contained the characteristics set forth in Section 3735.66 of the Ohio Revised Code and confirmed said area as a Community Reinvestment Area under said Chapter 3735; and

WHEREAS, City of London having the appropriate authority for the stated type of project, is desirous of providing property owner 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 Owner submitted a proposed agreement application (herein attached and incorporated as Exhibit D) to City of London said application (hereinafter referred to as "APPLICATION"); and

WHEREAS, the Owner has remitted the required state application fee of \$750.00 made payable to the Ohio Development Services Agency with the application to be forwarded to said department with a copy of the final agreement; and

WHEREAS, the City of London has investigated the application of the property owner and has recommended the same to the Council of City of London on the basis that the property owner 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 the City of London; and



WHEREAS, the project site as proposed by the property owner is located in the London City School District and the Tolles Career and Technical Center District and the Board of Education of the London City School District and the Tolles Career and Technical Center District has been notified in accordance with Section 5709.83 and been given a copy of 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 parties hereto desire to set forth their agreement (Agreement # X) 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:

- 1. Project.** The Owner shall construct a new seventy thousand (70,000 +/-) square foot independent living apartment facility with clubhouse, approximately sixty-six (66) villa-style condominiums and a seven thousand, two hundred (7,200 +/-) square foot restaurant and banquet center at vacant parcel 31-00662.000, London, Ohio. Preliminary drawings for the project are provided in Exhibit A. A copy of the legal description of the property is attached and incorporated herein, Exhibit B.

The PROJECT, including new infrastructure, will involve a total investment by property owner of at least 18 million dollars (\$18,000,000).

- 2. Project Schedule.** The PROJECT will begin May 2021 and all acquisition, construction and installation will be completed by December 2023.
- 3. Employee Positions.** The Owner shall create within a time period not exceeding 60 months after the commencement of construction of the aforesaid facilities, the equivalent of 20 full-time employees. The total payroll for the 20 full-time equivalent employees will be \$600,000. Starting in first quarter of calendar year 2022, the Owner will follow schedule for hiring as follows:

Year 1: 0
Year 2: 8
Year 3: 7
Year 4: 3
Year 5: 2
Total after 5 years: 20

- 4. Provision of Information.** The Owner shall provide proper tax incentive tax incentive review council (TIRC) any information reasonably required by the TIRC to evaluate the property owner's compliance with the agreement, including returns filed pursuant to section 5711.02 of the Ohio Revised Code if requested by the TIRC.
- 5. Real Property Tax Exemption.** City of London hereby grants the property owner 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:

Exemption Term-10 years Percentage of Exemption-100%

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 commence after January 1, 2022 nor extend beyond December 31, 2033. The property owner must file the appropriate tax forms with the County Auditor to effect and maintain the exemptions covered in the agreement.

- 6. Application for Exemption.** The Owner acknowledges that the tax exemption with respect to each real property improvement is subject to the filing of a real property tax exemption application with the Housing Officer designated by City of London for the CRA, following the completion of construction of that real property improvement. The City agrees that upon receipt of the real property tax exemption application, the Housing Officer shall certify the tax exemption to the Madison County Auditor.
- 7. Payment of Non-Exempt Taxes.** The Owner shall pay such real 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 property owner 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.
- 8. Cooperation with the City.** City of London 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.
- 9. Revocation of CRA.** If for any reason the Community Reinvestment Area designation expires, the Director of the Ohio Development Services Agency revokes certification of the zone, or City of London revokes the designation of the zone, entitlements granted under this agreement shall continue for the number of years specified under this agreement, unless the Owner materially fails to fulfill its obligations under this agreement and City of London terminates or modifies the exemptions from taxation granted under this agreement.
- 10. Termination, Suspension or Modification of Agreement.** If the Owner materially fails to fulfill its obligations under this agreement, or if City of London determines that the certification as to delinquent taxes required by this agreement is fraudulent, City of London 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.
- 11. Certification as to No Delinquent Taxes.** The Owner hereby certifies that at the time this agreement is executed, the property owner 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 property owner is liable under Chapter 5733., 5735., 5739., 5741., 5743., 5747., or 5753. of the Revised Code, or, if such delinquent taxes are owed, the property owner currently is 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 property owner. 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.

- 12. Approval by the City.** The Owner and City of London acknowledge that this agreement must be approved by formal action of the legislative authority of City of London as a condition for the agreement to take effect. This agreement takes effect upon such approval.
- 13. Non-Discriminatory Hiring.** By executing this Agreement, the Owner is committing to following non-discriminating hiring practices, acknowledging that no individual may be denied employment solely on the basis of race, religion, sex, disability, color, national origin, or ancestry.
- 14. Revocation of Exemptions.** Exemptions from taxation granted under this agreement shall be revoked if it is determined that the property owner, any successor property owner, or any related member (as those terms are defined in 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.
- 15. Validity.** The owner agrees that they are prohibited from challenging the validity of the CRA Agreement. If the validity of the CRA Agreement is challenged by an entity or individual in a public or private setting, the owner shall support the validity of the CRA Agreement.
- 16. Modifications.** If it becomes necessary to modify the terms of this Agreement to reflect the exact legal and financing structure used by the Owner in developing, equipping and operating the Project, the Owner shall request an amendment to this Agreement.
- 17. Annual Fee.** The Owner shall pay an annual fee of \$1,500.00 to support Madison County Future, Inc., the community improvement corporation leading economic development efforts in Madison County and the City of London.
- 18. O.R.C. Section 9.66 Covenants.** The Owner affirmatively covenants that it has made no false statements to the State or local political subdivisions in the process of obtaining approval of the Community Reinvestment Area incentives. If any representative of the property owner has knowingly made a false statement to the

State or local political subdivision to obtain the Community Reinvestment Area incentives, the property owner shall be required to immediately return all benefits received under the Community Reinvestment Area Agreement pursuant 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.

19. Notices. Any notices, statements, acknowledgements, consents, approvals, certificates or requests required to be given by Owner to this CRA Agreement will be made in writing and addressed to:

City of London
20 S. Walnut Street
London, Ohio 43140
Attn: City Law Director

20. Transfer of Agreement. This agreement is transferable or assignable without the express, written approval of City of London.

IN WITNESS WHEREOF, the City of London Ohio, by Patrick Closser, its Mayor, and pursuant to Ordinance _____, has caused this instrument to be executed this day of _____ and "Paul Gross, Owner of the independent living facility with clubhouse, approximately 66 villa condos and restaurant and banquet center, has caused this instrument to be executed on this day of _____.