

## *Community Reinvestment Area Agreement*

This Agreement made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, 2001 between the City of Napoleon, Ohio, a municipal corporation (hereinafter called ("the *City*") with its main offices located at 255 Riverview, Napoleon, Ohio, and the Community Improvement Corporation of Henry County, an Ohio Corporation (hereinafter called "*CIC*") with an office located at 104 E. Washington, Napoleon, Ohio, 43545.

### *Witnesseth:*

*Whereas*, the *City*, desires to pursue all reasonable and legitimate incentive measures to assist and encourage development in specific areas of the City of Napoleon that have not enjoyed reinvestment from remodeling or new construction; and,

*Whereas*, *CIC* is desirous of expanding their operations in Napoleon, Ohio (hereinafter called "*Project*") with additions to real property and the addition of employment opportunities in the *City*, provided the appropriate development incentives are available to support the economic viability of said *Project*; and,

*Whereas*, the *City*, by Resolution Number 114-01, adopted by the Council on October 1, 2001, designated the area as a "Community Reinvestment Area No. 7" pursuant to Chapter 3735 of the Ohio Revised Code; and

*Whereas*, effective November 20, 2001, the Director of Development of the State of Ohio determined that the aforementioned area designated in said resolution number 114-01 contains the characteristics set forth in section 3735.66 of the Ohio Revised Code and certified said area as a Community Reinvestment Area under said Chapter 3735; and,

*Whereas*, the *City*, having the appropriate authority for the stated type of project is desirous of providing *CIC* with the incentives available for the development of the *Project* in said Community Reinvestment Area No. 7 under Chapter 3735 of the Ohio Revised Code; and,

*Whereas*, *CIC* has submitted a proposed agreement application to the *City* (hereinafter referred to as "Application"), and herein attached as Appendix No. 1, incorporated into this Agreement by attachment hereto; and,

*Whereas*, *CIC* has remitted the required State application fee of five hundred (\$500.00) dollars made payable to the Ohio Department of Development with the application to be forwarded with the final agreement; and,

*Whereas*, the Housing Officer for Community Reinvestment Area No. 7 for the *City* has investigated the application of *CIC* and has recommended the same to the City of Napoleon Council on the basis that *CIC* is qualified by financial responsibility and business experience; further, that in granting the CRA Agreement, new construction or remodeling will be made in CRA # 7 which will serve to encourage economic stability,

maintain real property values, and generate new employment opportunities; and,

*Whereas*, the *Project* site as proposed by *CIC* is located in the Napoleon Area City School District, and the Board of Education of the Napoleon Area City School District (or other school district(s) required to be notified) 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 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 thereof, the parties herein agree as follows:

1. The *Project* will involve a total investment by *CIC* of one million, two hundred thousand dollars (\$1,200,000.00), plus or minus 20%, at the Napoleon, Ohio location. New real property investment will be one million, two hundred thousand dollars (\$1,200,000.00).
  - a. A description of all the investments to be made at the facility including: value of new real property shall be as in Appendix No. 1, including its Exhibits, incorporated into this Agreement by attachment hereto.
  - b. The Investment will begin January 1, 2002, and all aspects of the Investment will be concluded by January 1, 2004.
  - c. The total investment of this expansion project is greater than the 10% of market value of the facility assets already owned at the site prior to such expenditures as evidenced in Appendix No. 1, including its Exhibits.
2. *CIC* shall create, within two years, the equivalent of two (2) new full time permanent jobs pursuant to what has been stated in Appendix No. 1, including its Exhibits.
  - a. *CIC* currently has one (1) full time permanent employee; One (1) is the sum of all *CIC* jobs in Ohio.
  - b. The increase in the number of employees will result in approximately thirty thousand dollars (\$30,000.00) of additional annual payroll for *CIC*.
3. The *CIC* shall:
  - a. Provide to the proper Tax Incentive Review Council a completed (Tax Form DTE 24), and any other information reasonably required by the Review

Council to evaluate the enterprise's compliance with the agreement, including returns filed pursuant to Section 5711.02 of the Ohio Revised Code if requested by the Review Council.

- b. Give preference to residents of the City of Napoleon relative to residents of the State who do not reside in Napoleon when hiring new employees under this Agreement.
  - c. Maintain a membership in the Chamber of Commerce.
  - d. Use the Henry County landfill for refuse, pursuant to the Henry County Enterprise Zone Guidelines according to the Compensation/Donation Agreement as contained in Appendix No. 2 incorporated into this Agreement by attachment hereto.
  - e. Recognize that the granting of a tax incentive to the entity requires that the various political subdivisions, which have a claim on that tax revenue, have agreed to forego the income.
4. The *City* hereby grants *CIC* a tax exemption pursuant to Section 3735.67 for eligible new real property acquired in conjunction with the *Project* and described as:

One Hundred Percent (100%), with the consent of the Napoleon Area City School District and the notification of the Four County Career Center, on all real property acquired as part of this *Project*.

- a. Each identified project improvement will receive a ten (10) year exemption period. The exemption commences the first year for which the real property would first be taxable were that property not exempted from taxation.
  - b. *CIC* understands that, as part of this agreement, and in consideration for the Napoleon Area City School District's approval of the percentage and term of the tax exemptions herein contained, *CIC* will enter an agreement as found in Appendix No. 2, for the purposes of making compensation/donation payments to the Napoleon Area City School District and others, and that these compensation/donation payments are a condition of compliance for the purposes of this Community Reinvestment Area No. 7 agreement.
  - c. The Exhibits of Appendix No. 1 are a description of the specific real property to be exempted.
5. *CIC* shall pay an annual review fee equal to the greater of one percent (1%) of the dollar value of incentive offered under this Agreement, or two hundred fifty dollars (\$250.00), whichever is greater. The fee shall not exceed two thousand five hundred dollars (\$2,500.00). The fee shall be paid once per year for each year the agreement is in effect, upon completion of the annual review of said agreement, and upon receipt of

invoice from the Housing Officer.

6. *CIC* 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. Should *CIC* fail to pay such taxes or file such reports and returns, 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.
7. The *City* 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 No. 7 designation expires, the Director, if the Ohio Department of Development revokes certification of the Zone, or the *City* revokes the designation of the Zone, entitlements granted under this Agreement shall continue for the number of years specified under this Agreement, unless *CIC* materially fails to fulfill its obligations under this Agreement and the *City* terminates or modifies the exemptions from taxation granted under this Agreement.
9. If *CIC* materially fails to fulfill its obligations under this Agreement, or if the *City* determines that the certification as to delinquent taxes required by this Agreement is fraudulent, the *City* 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.
10. *CIC* hereby certifies that at the time this Agreement is executed, *CIC* does not owe any delinquent real or tangible personal property taxes to any taxing authority in the State of Ohio, or does not owe delinquent taxes for which *CIC* is liable under Chapter 5733., 5735., 5739., 5741., 5743., 5747., or 5753., of the Ohio Revised Code, (including specifically that it does not owe delinquent franchise taxes, motor vehicle fuel taxes, sales and use taxes, cigarette taxes, personal income taxes or beverage taxes) or, if such delinquent taxes are owed, *CIC* currently is either paying the delinquent taxes pursuant to an undertaking enforceable by the State of Ohio or an agent or instrumentality thereof, or has filed a petition in bankruptcy under 11 U.S.C.A. 101, et seq. For the purposes of the certification, delinquent taxes are taxes that remain unpaid on the last day prescribed for payment without penalty under the chapter of the Ohio Revised Code governing payment of those taxes.
11. All parties acknowledge that this Agreement must be approved by formal action of the legislative authority of the *City* as a condition for the agreement to take effect. This Agreement takes effect upon such approval.
12. The *City* has developed a policy to ensure recipients of Community Reinvestment Area No. 7 tax benefits practice non-discriminatory hiring in its operations. By executing

this Agreement, *CIC* is committing to following non-discriminatory hiring practices acknowledging that no individual may be denied employment solely on the basis of race, religion, sex, disability, color, national origin, or ancestry.

13. Exemptions from taxation granted under this Agreement shall be revoked if it is determined that *CIC*, any successor enterprise, or any related member (as those terms are defined in Section 3735.671 of the Ohio Revised Code) has violated the prohibitions against entering into this Agreement under Division (E) of Section 3735.671 or Section 5709.02 or 5709.63 of the Ohio Revised Code prior to the time prescribed by that division or either of those sections.

14. This Agreement is not transferable or assignable without the expressed, written approval of the *City*.

15. *CIC* and *City* acknowledge that this agreement must be approved by formal action of the legislative authority of the *City* as a condition for the agreement to take effect. This agreement takes affect upon such approval.

*In Witness Whereof*, the parties have each caused this Agreement to be executed by their authorized representatives as of the date and year first written above.

**Witness:**

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

By \_\_\_\_\_,

State of Ohio        }  
County of Henry    }       SS

On this \_\_\_\_\_ day of \_\_\_\_\_, 2001, before me, a Notary Public in and for said County, personally appeared \_\_\_\_\_, \_\_\_\_\_, Community Improvement Corporation of Henry County, an Ohio Corporation, who acknowledged that he is authorized to sign the foregoing instrument and that the same act is his free will and deed and the free will act and deed of the company.

In testimony whereof I have hereunto affixed my name and this official seal this \_\_\_\_\_ day of \_\_\_\_\_, 2001.

\_\_\_\_\_  
Notary Public  
Commission Expires: \_\_\_\_\_

**Witness:**

**City of Napoleon, Ohio**

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

By \_\_\_\_\_  
Dr. Jon A. Bisher, City Manager

Resolution No. \_\_\_\_\_

State of Ohio                    }  
County of Henry                }     SS

On this \_\_\_\_\_ day of \_\_\_\_\_ 2001, before me, a Notary Public in and for said County, personally appeared Dr. Jon A. Bisher, City Manager in and for Napoleon, Ohio, who acknowledged that he is authorized to sign the foregoing instrument and that the same act is his free will and deed and the free will and deed of the City.

In testimony whereof I have hereunto affixed my name and this official seal this \_\_\_\_\_ day of \_\_\_\_\_, 2001.

\_\_\_\_\_  
Notary Public  
Commission Expires: \_\_\_\_\_

***The legal form and correctness of the within instrument is hereby approved.***

\_\_\_\_\_  
David M. Grahn, Law Director



c) If a consolidation, what are the components of the consolidation? (must itemize the location assets, and employment positions to be transferred?)

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d) Form of business of enterprise (corporation, partnership, proprietorship, or other).

Corporation

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3. Name of principal owner(s) or officers of the business (attach list if necessary).

Marlowe Witt, Pres.; Rich Bennett, V.P.; Jon Myers, Secy/Treas.

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4. Is business seasonal in nature? Yes \_\_\_\_\_ No  x

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

zero

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10. a) Estimate the amount of annual payroll such new employees will add: \$30,000  
(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 to any job retention claim resulting from the project: n/a

11. Market value of the existing facility as determined for local property taxation. \$0

12. a) Business's total current investment in the facility as of the proposal's submission:

\$0

b) State the business's value of on-site inventory required to be listed in the personal property tax return of the enterprise in the return for the tax year (stated in average \$ value per most recent 12 month period) in which the agreement is entered into (baseline inventory): \$0

13. 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: \$1,200,000

C. Improvements to Existing Buildings: \_\_\_\_\_

D. Machinery & Equipment: \_\_\_\_\_

E. Furniture & Fixtures: \_\_\_\_\_

F. Inventory: \_\_\_\_\_

Total New Project Investment:

\$1,200,000

14. a) Business requests the following tax exemption incentives: 100%  
for 10 years covering real x and/or personal property including inventory \_\_\_\_\_ as described above. Be specific as to type of assets, rate and term.

b) Business's reasons for requesting tax incentives (be quantitatively specific as possible):

Assist existing companies in Napoleon with warehouse needs and possible manufacturing space to

improve job opportunities in Napoleon

15. What is the present company investment in this facility?

Existing building size and cost	<u>\$0</u>
Value of present Machinery & Equipment	<u>\$0</u>
Value of present Furniture & Fixtures	<u>\$0</u>
Value of Land	<u>\$55,000</u>

16. List specific tangible personal property desired exempt by this agreement. (May use a separate sheet)

n/a

17. List specific real property to be exempt by this agreement. (May use a separate sheet)

40,000 sq. ft. warehouse

Submission of this application expressly authorizes City of Napoleon (name of the local jurisdiction) and/or Henry (name of county) to contact the Ohio Environmental Protection Agency to confirm statements contained within this application including item #7 and to review applicable confidential records. As part of this application, the business may also be required to directly request from the Ohio Department of Taxation or complete a waiver form allowing the Ohio Department of Taxation to release specific tax records to the local jurisdictions considering the incentive request.

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 2931.13(D)(1) penalties for falsification which could result in the forfeiture of all current and future economic development assistance benefit as well as a fine of not more than \$1,000 and/or a term of imprisonment of not more than six months.

CIC of Henry County  
Name of Enterprise

11-27-01

Date

Philip L. Flavin  
Signature

PHILIP L. FLAVIN  
Typed Name and Title

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**CRA # 7 Compensation/Donation Agreement  
Related To  
Community Improvement Corporation of Henry County**

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This Agreement between the City of Napoleon, Ohio (hereinafter referred to as "the *City*") a municipal corporation, the Board of Education of the Napoleon Area City School District, (hereinafter referred to as "the *School*") a Public School District, and the Community Improvement Corporation of Henry County (hereinafter referred to as "the *Company*") an Ohio corporation, and specifies the manner and procedure to be used pursuant to Ohio Revised Code (ORC) §3735 authorizing general compensation and income tax revenue sharing on new Municipal Income Tax revenues relating to the Community Improvement Corporation of Henry County Community Reinvestment Area No. 7 Project.

*Whereas*, the Ohio Community Reinvestment Area Program, pursuant to ORC §3735 authorizes the grant real property tax exemptions on eligible new investments; and,

*Whereas*, the *City*, by Resolution Number 114-01, adopted by the Council on October 1, 2001, designated the area as an "Community Reinvestment Area No. 7" pursuant to Chapter 3735 of the Ohio Revised Code; and

*Whereas*, effective November 20, 2001, the Director of Development of the State of Ohio determined that the aforementioned area designated in said resolution number 114-01 contains the characteristics set forth in section 3735.66 of the Ohio Revised Code and certified said area as a Community Reinvestment Area under said Chapter 3735; and,

*Whereas*, the *School* and the Four County Career Center were furnished notice of the *Company* Community Reinvestment Area No. 7 Agreement prior to the formal approval as required within ORC §3735; and

*Whereas*, the *Company* is benefiting from such tax incentive program and realizes the same; and,

*Whereas*, the *City* and the *School* pursuant to ORC 3735 elect to enter into a Revenue Sharing/Compensation Agreement concerning the benefits relating to the aforementioned Agreement.

*Now therefore*, in consideration of the forgoing and of the mutual promises, covenants and agreements hereinafter set forth the *City*, the *School*, and the *Company* agree as follows:

**PAYMENTS.** Payments will be calculated based upon the actual investments related the *Company's* expansion project as described in Exhibits "A" of the Community Reinvestment Area No. 7 with the *Company* entered into in the year 2001, said Community Reinvestment Area No. 7 Agreement and all exhibits being incorporated into this Agreement by reference thereto, and will be an amount equal to approximately forty-six (46%) percent (forty-seven (47%) percent if not in compliance with Section 3d of the said community reinvestment area agreement whereby the *Company* is mandated to use the Henry County Landfill), of the value of the tax exemptions afforded to the *Company* that are associated with the project.

**DISTRIBUTION OF FUNDS.** The *Company* agrees to make payments described hereinafter attributable to the *School*, to Four County Career Center, and to the *City* directly to those parties.

**PAYMENT AMOUNT.** The average annual payment for the *School* is thirty-four (34%) percent of the tax exemptions afforded to the *Company*, two (2%) percent of the tax exemptions to Four County Career Center, and the remaining ten (10%) percent to the City of Napoleon Fund (*Fund*).

**PAYMENT TIMES.** The first payment will be made on or before September 30 of each year commencing the year when any of the real property described in Exhibit "A" of the subject Enterprise Zone Agreement would first be taxable were that property not exempted from taxation, and continuing for each year thereafter that the tax exemptions continue pursuant to said Community Reinvestment Area No. 7 Agreement.

**DEFAULT.** Failure to comply with the terms of this Agreement by the *Company* will result in the forfeiture of the above mentioned development incentives and termination of the subject Community Reinvestment Area No. 7 Agreement.

**INVESTMENT REDUCTION.** In the event that the investments, as described by the *Company* in Exhibit "A" of the subject Community Reinvestment Area No. 7 Agreement, are greater or lesser than proposed, the dollar amount of payments will be adjusted according to the amount of actual investments.

**FULL OBLIGATION OF CITY.** The Parties agree that this Compensation Agreement shall constitute full and final payment to the *School* as now or may in the future be required of the *City*, representing the anticipated tax revenues which the *School* would have received had the tax exemptions as the result of the subject Enterprise Zone Agreement not been granted to *Company*. Further, the *School* by executing this agreement waive and release the *City* from any further obligation of payment related to this subject CRA # 7 Agreement.

In Witness whereof, the parties have caused this Agreement to be executed on the date indicated in the notarization below their signature.

**Community Improvement  
Corporation of Henry County**

*Witness:*

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

By \_\_\_\_\_,

State of Ohio            }  
County of Henry        }       SS

On this \_\_\_\_\_ day of \_\_\_\_\_, 2001, before me, a Notary Public in and for said County, personally appeared \_\_\_\_\_, \_\_\_\_\_, Community Improvement Corporation of Henry County, an Ohio Corporation, who acknowledged that he is authorized to sign the foregoing instrument and that the same act is his free will and deed and the free will act and deed of the company.

In testimony whereof I have hereunto affixed my name and this official seal this \_\_\_\_\_ day of \_\_\_\_\_, 2001.

\_\_\_\_\_  
Notary Public  
Commission Expires: \_\_\_\_\_

*Witness:*

*City of Napoleon, Ohio*

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

By \_\_\_\_\_  
Dr. Jon A. Bisher, City Manager

Resolution No. \_\_\_\_\_

State of Ohio            }  
County of Henry        }       SS

On this \_\_\_\_\_ day of \_\_\_\_\_ 2001, before me, a Notary Public in and for said County, personally appeared Dr. Jon A. Bisher, City Manager in and for Napoleon, Ohio, who acknowledged that he is authorized to sign the foregoing instrument and that the same act is his free will and deed and the free will and deed of the City.

In testimony whereof I have hereunto affixed my name and this official seal this \_\_\_\_\_ day of \_\_\_\_\_, 2001.

\_\_\_\_\_  
Notary Public  
Commission Expires: \_\_\_\_\_

*The legal form and correctness of the within instrument is hereby approved.*

\_\_\_\_\_  
David M. Grahn, Law Director

*Board of Education of the Napoleon Area School District*

**Witness:**

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

By \_\_\_\_\_  
Ken Hawley, Superintendent  
Resolution No. \_\_\_\_\_

State of Ohio            }  
County of Henry        }        SS

On this \_\_\_\_\_ day of \_\_\_\_\_, 2001, before me, a Notary Public in and for said County, personally appeared Ken Hawley, Superintendent, Napoleon Area School District who acknowledged that he is authorized to sign the foregoing instrument and that the same act is his free will and deed and the free will act and deed of the company.

In testimony whereof I have hereunto affixed my name and this official seal this \_\_\_\_\_ day of \_\_\_\_\_, 2001.

\_\_\_\_\_  
Notary Public  
Commission Expires: \_\_\_\_\_

\_\_\_\_\_  
Notary Public  
Commission Expires: \_\_\_\_\_

# CIC WAREHOUSE

## Investment

Building	\$	1,200,000
M & E Year 1	\$	-
Inventory	\$	-

## PROPERTY TAX SAVINGS PROGRAM Napoleon/Napoleon Schools/Henry County

Year	Total Property Tax	FOR DISTRIBUTION	Company Incentive
year 1	\$23,786	\$10,941	\$12,844
year 2	\$23,786	\$10,941	\$12,844
year 3	\$23,786	\$10,941	\$12,844
year 4	\$23,786	\$10,941	\$12,844
year 5	\$23,786	\$10,941	\$12,844
year 6	\$23,786	\$10,941	\$12,844
year 7	\$23,786	\$10,941	\$12,844
year 8	\$23,786	\$10,941	\$12,844
year 9	\$23,786	\$10,941	\$12,844
year 10	\$23,786	\$10,941	\$12,844
<b>TOTAL</b>	<b>\$237,858</b>	<b>\$109,415</b>	<b>\$128,443</b>

## DISTRIBUTION OF CIC DONATION

Year	FOR DISTRIBUTION	NAPOLEON SCHOOLS	CITY FUND	FOUR COUNTY DONATION
year 1	\$10,941	\$8,087	\$2,379	\$476
year 2	\$10,941	\$8,087	\$2,379	\$476
year 3	\$10,941	\$8,087	\$2,379	\$476
year 4	\$10,941	\$8,087	\$2,379	\$476
year 5	\$10,941	\$8,087	\$2,379	\$476
year 6	\$10,941	\$8,087	\$2,379	\$476
year 7	\$10,941	\$8,087	\$2,379	\$476
year 8	\$10,941	\$8,087	\$2,379	\$476
year 9	\$10,941	\$8,087	\$2,379	\$476
year 10	\$10,941	\$8,087	\$2,379	\$476
<b>TOTAL</b>	<b>\$109,415</b>	<b>\$80,872</b>	<b>\$23,786</b>	<b>\$4,757</b>

11/30/2001



TIRC MEETING

November 28, 2001

COMMUNITY IMPROVEMENT CORPORATION  
OF HENRY COUNTY  
14 E. Washington  
Napoleon, Ohio 43545

PROJECTED INVESTMENT

REAL PROPERTY	\$1,200,000
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Total	\$1,200,000
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EMPLOYMENT

Existing	0
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Projected	2
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RECOMMENDATION

100% INCENTIVE – 34% to napoleon Schools, 2% to FCCC, and 10% to  
Napoleon City Infrastructure/Economic Development Fund – see attached sheet.