

ORDINANCE NO. 46 -05

By: Richard F. Weber

AN ORDINANCE APPROVING A REAL PROPERTY TAX EXEMPTION FOR MRMJ LLC IN CONNECTION WITH A REDEVELOPMENT PROJECT LOCATED WITHIN THE MAIN STREET RE/DEVELOPMENT COMMUNITY REINVESTMENT AREA, AUTHORIZING THE EXECUTION OF A COMMUNITY REINVESTMENT AGREEMENT IN CONNECTION THEREWITH, AND DECLARING AN EMERGENCY.

WHEREAS, the Council of the City of Bexley, Ohio (the "City") by its Ordinance No. 68-02 adopted September 24, 2002 (and amended by Ordinance No. 60-04, adopted September 28, 2004, and Ordinance No. 73-04, adopted October 26, 2004) designated the Main Street Re/Development Community Reinvestment Area (as depicted on Exhibit A and labeled thereon as the "CRA") which enables the City to offer real property tax exemption (a "CRA Exemption") on the construction of certain new structures and the remodeling of certain existing structures as described in Ohio Revised Code Section 3735.67; and

WHEREAS, the Director of the Department of Development of the State of Ohio has determined that the aforementioned area designated in said Ordinances contains the characteristics set forth in Ohio Revised Code Section 3735.66 and confirmed that area as a "Community Reinvestment Area" pursuant to that Section 3735.66; and

WHEREAS, the City desires to pursue all reasonable and legitimate incentive measures to assist, encourage and stimulate development in the CRA, which has not enjoyed sufficient reinvestment from remodeling or new construction; and

WHEREAS, the remodeling of existing structures and the construction of new structures in the CRA would serve to encourage economic stability, maintain real property values, and generate new employment opportunities; and

WHEREAS, MRMJ LLC (the "Developer") desires to redevelop a 0.52± acre site located at 2394-2408 East Main Street between Dawson and Cassady Avenues (the "Site") by constructing a new approximately 11,794 square feet commercial retail/office center (the "Project") within the boundaries of the CRA, provided that the appropriate incentives are available to support the economic viability of the Project; and

WHEREAS, the redevelopment of the Site will encourage economic stability and maintain real property values; and

WHEREAS, the Developer has submitted a Community Reinvestment Area Agreement Application, a copy of which is attached hereto as Exhibit B; and

WHEREAS, the Housing Officer under Ohio Revised Code Section 3735.65 has reviewed the Application of the Developer and recommends that the City grant the incentives described in the Application on the basis that the Developer is qualified by financial responsibility and business experience to create and preserve employment opportunities in the CRA and improve the economic climate of the City; and

WHEREAS, the City desires to grant a CRA Exemption for the Project as described herein and to enter into a Community Reinvestment Area Agreement (the "CRA Agreement") with the Developer pursuant to Section 3735.671 of the Ohio Revised Code, providing for the terms and conditions of such development incentives; and

WHEREAS, pursuant to and in the manner prescribed by Section 3735.671 and 5709.83 of the Ohio Revised Code, the City has delivered notice to the Bexley City School District, stating the City's intent to enter into the CRA Agreement with the Developer; and

WHEREAS, the Board of Education of the Bexley City School District has, by its Resolution No. _____ adopted _____, approved the terms of the proposed CRA Exemption, as further described herein; and

WHEREAS, the City desires to provide the Developer with incentives for development of the Project within the boundaries of the CRA consistent with the terms of Ohio Revised Code Sections 3735.65 et al.; and

NOW, THEREFORE, BE ORDAINED BY THE COUNCIL OF THE CITY OF BEXLEY, OHIO:

Section 1. In consideration of the mutual covenants set forth in the CRA Agreement, substantially in the form attached hereto as Exhibit C and made a part hereof, including but not limited to the 5 year, 100%-80%-60%-40%-20% property tax exemptions provided therein, hereby is approved and authorized with changes therein not inconsistent with this Ordinance and not substantially adverse to the City. The Mayor and the City Auditor are hereby authorized to execute the CRA Agreement and directed to take any further actions, and execute and deliver any further agreements, certificates or documents necessary to accomplish the granting of the exemptions described in said CRA Agreement, provided further that the approval of changes thereto by those officials, and their character as not being substantially adverse to the City, shall be evidenced conclusively by the execution thereof.

Section 2. This Council hereby finds that the Project is commercial property for mixed-use development and that so long as a portion of the Structure (as defined in the CRA Agreement) continues to be used for commercial uses, the exemption described in the CRA Agreement may be granted to the Owner (as defined in the CRA Agreement) of the Structure.

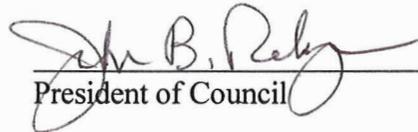
Section 3. It is hereby found and determined that all formal actions of this Council concerning and relating to the passage of this Ordinance were adopted in an open meeting of this Council and that all deliberations of this Council and any decision making bodies of the City of

Bexley which resulted in such formal actions were in meetings open to the public or in compliance with all legal requirements of the City of Bexley, Franklin County, Ohio.

Section 4. A copy of this Ordinance shall be published in a newspaper of general circulation in the City once a week for two consecutive weeks immediately following its adoption.

Section 5. This Ordinance is an emergency measure necessary for the immediate preservation of the public peace, health, safety or welfare, said emergency being the need to permit construction of the Improvements to commence as soon as possible, and shall take effect upon its passage and approval by the Mayor.

Passed: 7/12, 2005



President of Council

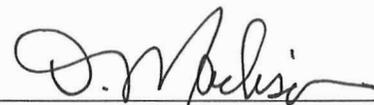
Attest:



Clerk of Council

5-10-05 First Reading
5-24-05 Second Reading
6-14-05 Third Reading. Tabled
7-12-05 Removed from table
Passed

Approved: 7/12, 2005



David H. Madison, Mayor

EXHIBIT A

[Boundary Description of Main Street Re/Development District CRA]

**AMENDED
MAIN STREET RE/DEVELOPMENT DISTRICT
COMMUNITY REINVESTMENT AREA**

A. Verbal Boundary Description

1 Beginning for reference at the centerline intersection of Bryden Road with S. Parkview Avenue,
2 said point being the true point of beginning for this description; then west with centerline of
3 Bryden Road to centerline of Westland; then south along west property lines of tax parcel 1968
4 and 342 to centerline of Alum Creek also being the Bexley corporation line; then south with the
5 corporation line crossing E. Main Street to south property line of tax parcel 108; then following
6 south property lines of tax parcel 108 and 1322 east to centerline of Sheridan; then north with
7 centerline of S. Sheridan Avenue to centerline of E. Mound Street; then east with centerline of E.
8 Mound Street crossing S. College Avenue and S. Pleasant Ridge Avenue to where roadway
9 intersects with centerline of alley abutting tax parcel 4154, 569 and 4488; then north with
10 centerline of alley to centerline of first alley south of E. Main Street abutting tax parcel 2025 and
11 2763; then east with centerline of alley crossing Euclaire Avenue and S. Cassingham Road to
12 centerline of Montrose Avenue; then south with centerline of Montrose Avenue to centerline of
13 E. Mound Street; then east with centerline of E. Mound Street to centerline of S. Remington
14 Road; then north with centerline of S. Remington Road to centerline of first alley south of E.
15 Main Street abutting tax parcel 2252; then east with centerline of alley crossing S. Vernon Road,
16 S. Roosevelt Avenue, S. Grandon Avenue and Chelsea Avenue to the Bexley corporation line;
17 then north with the corporation line crossing E. Main Street to north property line of tax parcel
18 3979; then west along north property lines of tax parcel 3979, 3978, 3977, 3976, 3975, 3973,
19 4119, 188, 174, 162, 160 and 122 crossing S. Roosevelt Avenue; then west along north property
20 lines of tax parcel 84, 320 and 3509 crossing S. Remington Road; then west with centerline of
21 first alley north of E. Main Street crossing S. Cassingham Road, S. Cassady Avenue and S.
22 Dawson Avenue to where alley terminates at west property line of tax parcel 3457 also being east
23 property line of tax parcel 02; then following north property lines of tax parcel 02, 79, 175 west
24 and north to centerline of Sherwood Road; then west with centerline of Sherwood Road to
25 centerline of S. Drexel Avenue turning south then west to where roadway intersects with north
26 property line of tax parcel 572; then west along north property lines of tax parcel 572, 4381,
27 1825, 1985 and 3002 to east property line of tax parcel 350; then following along east property
28 line of tax parcel 350 north turning west then south and west along north property lines of tax
29 parcel 350 and 836 to west property line of tax parcel 836; then south along west property line
30 of tax parcel 836 to north property line of tax parcel 216; then west along north property
31 line of tax parcel 216 to centerline of S. Parkview Avenue; then north with centerline of S.
32 Parkview Avenue to centerline intersection with Bryden Road, also being the point of beginning.

All references to tax parcels are those in the City of Bexley/Bexley City School District (tax district no. 020) and those recorded on the real estate tax maps of the Franklin County Auditor's office. The amended Main Street Re/Development District Community Reinvestment Area shall include all splits and combinations of tax parcels within the above-described area.

Underline indicates section of boundary that is altered from previous boundary definition.

EXHIBIT B

[CRA Application]



Community Reinvestment Area Agreement Application

APPLICATION FOR A PROPOSED AGREEMENT for Community Reinvestment Area (CRA) Tax Incentives between the City of Bexley located in the County of Franklin and

MRMS, LLC.

(Enterprise)

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

MRMS, LLC.

Enterprise Name

1800 Moler Rd-

Cols., OH 43207

Address

Michael Schiff

Contact Person

(614) 449-4313

Telephone Number

B. Project Site:

E. Main St.

Bexley, Ohio

43209

Address

Same As Above

Contact Person

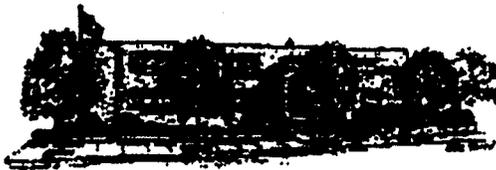
(614) 449-4313

Telephone Number

2. A. Nature of business (manufacturing, warehousing, wholesale or retail stores, or other) to be conducted at the site.

retail stores

B. List primary 4 digit Standard Industrial Code (SIC) # Business may list other relevant SIC numbers.



CRA Agreement Application

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

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

Corporation

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

Michael Schiff, Jay Schottenstein, Richard Barnett, Mark Ebner

4. Is the business seasonal in nature Yes [] No [X]

5. A. State the enterprise's current full-time and part-time employment level at the proposed project site:

The enterprise will be develop and Landlord

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

Yes [X] 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:

Connells will move across the street and it brings two new tenants to Columbus (Bexley).

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

This project only

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

This project only

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

extensive

CRA Agreement Application

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6. A. Has the enterprise previously entered into an Enterprise Zone or CRA Agreement with the local legislative authorities at any site where the employment or assets will be relocated as result of this proposal?

Yes []

No [✓]

B. If yes, list the local legislative authorities, date, and term of the incentives for each Agreement:

7. Does the Enterprise 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 political subdivision of the State for the administration or enforcement of any environmental laws?

Yes []

No [✓]

C. Any other moneys to the State 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 (attach additional pages if necessary).

8. Project Description (attach additional pages if necessary):

A small retail shopping center with three tenants
and an office.

9. Project is proposed to begin April 1, 2005 and estimated to be completed October 30, 2005 provided a tax exemption is provided.

CRA Agreement Application

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10. A. Estimate the number of new employees the business intends to hire at the facility that is the project site (job creation projection must be itemized by full and part-time and permanent and temporary):

Many employees (over 25) will be hired by these three operations

B. State the time frame of this projected hiring: long term years.

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

they will always be hiring

11. A. Estimate the amount of annual payroll such new employees will add \$ between \$600k and \$1m (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 \$ None

12. Market value of the existing facility as determined for local property taxation:

\$ _____

13. A. Business's total current investment in the facility as of the proposal's submission:

\$3m to \$2.5m

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):

\$ between \$500k and \$1m

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

- A. Acquisition of Building(s): \$ 900,000
- B. Additions/New Construction: \$ 900,000
- C. Improvements to Existing Building(s): \$ 50,000
- D. Machinery & Equipment: \$ 250,000
- E. Furniture & Fixtures: \$ 50,000
- F. Inventory: \$ 500,000

Total New Project Investment: \$ 2,650,000

CRA Agreement Application

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15. A. Business requests the following tax exemption incentives: 100 % for 5 years covering real property 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):

Going forward with this project was purely based on receiving these tax benefits.

FEES:

This application must be accompanied by a non-refundable processing/monitoring fee of **Two-hundred fifty dollars (\$250)**. This fee is payable through a check or money order, made payable to the **City of Bexley**.

A separate one-time fee of **Seven-hundred fifty dollars (\$750)** will be charged by the State and collected by the City with this application. This fee is payable through a separate check or money order, made payable to the **Ohio Department of Development**.

In addition, the City requires each applicant to pay for the required newspaper publication of public notice. The cost of publication will be determined and due at the time of City Council approval.

Any CRA application submitted without the required fees will be returned to the applicant.

CRA Agreement Application

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APPLICANT'S CERTIFICATION

The applicant certifies that all information in this application, and all information furnished in support of this application, is true and complete to the best of the applicant's knowledge and belief.

Submission of this application expressly authorizes the City of Bexley 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 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 City of Bexley.

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 benefits as well as a fine of not more than \$1,000 and/or a term of imprisonment of not more than six months.

U.S.C. Title 18, Sec. 1001, provides: "Whoever, in any matter within the jurisdiction of any department or agency of the United States knowingly and willfully falsifies... or makes any false, fictitious or fraudulent statements of representations, or makes or uses any false writing or document knowing the same to contain any false, fictitious or fraudulent statement of entry, shall be fined not more than \$10,000 or imprisoned not more than five years, or both."

MR MJ, LLC
Enterprise Name

1/21/04
Date


Signature

Michael S. Schiff, Managing Partner
Typed Name and Title

Please submit the application and attachments, with the required fees, to:

**City of Bexley
Development Office
2242 E. Main Street
Bexley, Ohio 43209
(614) 235-8694**

EXHIBIT C

[CRA Agreement]

**MAIN STREET RE/DEVELOPMENT
COMMUNITY REINVESTMENT AREA AGREEMENT**

This agreement (this "Agreement") made and entered into by and between the City of Bexley, Ohio (the "City"), a municipal corporation duly organized and validly existing under the Constitution and laws of the State of Ohio and its Charter, located at 2242 East Main Street in the City, and MRMJ LLC, an Ohio limited liability company, with offices located at 1800 Moler Road, Columbus, Ohio 43207 (hereinafter referred to as the "Owner").

WITNESSETH:

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

WHEREAS, the City Council by its Ordinance No. 68-02 adopted September 24, 2002 (and amended by Ordinance No. 60-04, adopted September 28, 2004, and Ordinance No. 73-04, adopted October 26, 2004, (the "Ordinance") created the Main Street Re/Development District Community Reinvestment Area (the "CRA") and authorized real property tax exemption on the construction of certain new structures and the remodeling of certain existing structures as described in Ohio Revised Code Section 3735.67; and

WHEREAS, pursuant to Ohio Revised Code Section 3735.67(A) and in conformance with the format required under Ohio Revised Code Section 3735.671(B), the City and the Owner desire to formalize their agreement with respect to matters hereinafter contained; and

WHEREAS, the Owner has acquired the real property contained within the CRA and described on Exhibit A attached hereto (the "Land"), and intends to construct or cause to be constructed on the Land an approximately 11,974 square feet, 1 ½ to 2-story mixed-use development (the "Project") consisting of three (3) street level commercial retail storefronts and professional offices above (the buildings hereinafter referred collectively as the "Development" and the individual buildings hereinafter referred to as the "Structure" or "Structures"), that if completed, may be eligible for a tax exemption under the Ordinance; and

WHEREAS, the Owner has submitted to the City a proposed Community Reinvestment Area Agreement Application (the "Application"), attached hereto as Exhibit B; and

WHEREAS, the Owner also has submitted to the City with the Application a non-refundable processing/monitoring fee of \$250.00 payable to the City of Bexley and a one-time fee of \$750.00 payable to the Ohio Department of Development; and

WHEREAS, by its Ordinance __-05, adopted _____, 2005, the Council of the City approved this Agreement and authorized the execution of this Agreement;

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 Description. The Owner agrees to redevelop the 0.52± acre site (2394-2408 E. Main Street) located on the north side of Main Street between Dawson and Cassidy Avenues with a new approximately 11,974 square feet, 1 ½ to 2-story mixed-use development consisting of three (3) street level commercial retail storefronts and professional office space above. The approximate total cost of the construction of the Project that may occur on the Land, including all personal property to be incorporated therein, is expected to be approximately \$2,503,600.

The construction of the Project is expected to begin on or about July 1, 2005. The Project is scheduled for completion in approximately December 2005 (the "Project Period").

2. Jobs. The Owner shall use its best efforts to cause, at the time of completion of the Project by approximately December 2005, the retention/transfer of approximately seventeen (17) existing retail positions with an annual payroll of approximately \$428,775. Within twenty-four (24) months after Project completion, the Owner shall use its best efforts to create, or cause to be created, an additional thirty-one (31) new retail positions and two (2) new office positions, which may be any combination of full-time permanent, part-time permanent, full-time temporary and part-time temporary, with an aggregate annual payroll for all of the positions of approximately \$633,400.

3. Tax Exemption. The parties hereto agree that the Structure shall receive a real property tax exemption pursuant to Section 3735.67, Ohio Revised Code, on the below-specified percentage of its assessed valuation in excess of the Minimum Fully Taxable Value (hereinafter defined) for that year for a period of five (5) years based upon the following schedule:

<u>Year</u>	<u>Exemption Percentage</u>
1	100%
2	80%
3	60%
4	40%
5	20%

The Minimum Fully Taxable Value shall be the difference between \$142,625 (the tax year 2004 taxable value – i.e., the 35% value -- of parcel nos. 020-001533 and 020-001534) and the value of the Land as established by the Franklin County Auditor for the tax year of the exemption, but in no event shall the Base Value be a negative number. Notwithstanding anything to the contrary contained herein, no exemption granted hereunder shall commence after January 1, 2007 (tax year 2007) nor extend beyond January 1, 2011 (tax year 2011).

4. Conditions Precedent.

(a) The Owner and City acknowledge that this Agreement must be approved by formal action of City Council as a condition for the Agreement to take effect. This Agreement takes effect upon such approval.

(b) The Owner acknowledges that such tax exemption with respect to each Structure is subject to the filing of a real property tax exemption applications with the Housing Officer immediately following the completion of construction of that Structure. Upon receipt of the real property tax exemption application, the Housing Officer shall verify and investigate the facts and circumstances necessary to determine whether the Structure is eligible for a tax exemption pursuant to this Agreement. If the Housing Officer determines that the Structure is eligible for a tax exemption, the Housing Officer shall certify the tax exemption to the Franklin County Auditor and shall perform such other acts as are reasonable, necessary or appropriate to effect, claim, reserve, and maintain the tax exemption described in this Agreement, including, without limitation, joining in the execution of all documents and providing any necessary certificates required in connection with such tax exemption.

5. Owner's Covenants. To induce the City to enter into and maintain this Agreement, the Owner covenants as follows:

(a) The Owner shall pay such real and tangible personal property taxes as are not exempted under this Agreement or otherwise and are charged against the Land and Development, and shall file all tax reports and returns as required by law.

(b) The Owner and any future tenants of the Project (collectively, the "Tenants") shall pay all municipal income taxes owed to the City and shall file all tax reports and returns as required by law. The Owners and Tenants shall provide the City with Federal Tax Identification numbers for all companies, contractors, subcontractors, or individuals doing business in or on the property. If the Owners and Tenants fail to pay such taxes or file such returns and reports or provide such numbers, 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 or such numbers are required to be provided and thereafter. In addition, such failure shall be considered a material failure to fulfill the obligations under this Agreement.

(c) The Owner affirmatively covenants that it does not owe: (1) any delinquent taxes to the State of Ohio or a political subdivision of the State; (2) any moneys to the State or a state agency for the administration or enforcement of any environmental laws of the State; and (3) 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.

(d) The Owner shall properly maintain the Development and Land and keep the same repaired.

(e) Within thirty (30) days after written request from the City, the Owner shall provide (i) any information necessary for a tax incentive review council, Housing Officer, or community reinvestment area housing council to perform its review or other responsibilities under Sections 3735.68, 3735.69 or 5709.85, Ohio Revised Code, as applicable, including, if requested by the applicable council, returns filed pursuant to Section 5711.02, Ohio Revised Code, and (ii) any information necessary for the City to comply with any other applicable legal requirements. The Owner acknowledges that failure by any Occupant to comply with the requirements of this paragraph may be cause for termination of this Agreement

(f) The Owner shall pay or cause to be paid an annual fee equal to the greater of one percent of the amount of taxes exempted under this Agreement or five hundred dollars (\$500.00); provided, however, that if the value of the exemption exceeds two hundred fifty thousand dollars (\$250,000.00), the fee shall not exceed two thousand five hundred dollars (\$2,500.00). The fee shall be paid to the City annually, on or after July 1st of each year this Agreement is in effect, within thirty (30) days of receipt of an invoice from the City. This fee shall be deposited in a special fund created for such purpose and shall be used exclusively for the purpose of complying with Section 3735.672, Ohio Revised Code, and by the housing council or tax incentive review council, as appropriate, exclusively for the purposes of performing the duties prescribed under Sections 3735.69 and 5709.85, Ohio Revised Code.

(g) The Owner and Tenants shall follow 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.

6. Assignment. This Agreement is not transferable or assignable without the express, written approval of the City.

7. Representations and Warranties. To induce the City to enter into and maintain this Agreement, the Owner makes the following representations and warranties:

(a) That this Agreement was entered into prior to the commencement of the construction of the Structures;

(b) That, at the time this Agreement is executed, the 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 Owner is liable under Chapter 5733., 5735., 5739., 5741., 5743., 5747., or 5753. of the Ohio Revised Code, or, if such delinquent taxes are owed, the 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 Owner. For the purposes of this certification, delinquent taxes are taxes that remain unpaid on the latest day prescribed for payment without penalty under the chapter of the Ohio Revised Code governing payment of those taxes.

(c) The Owner affirmatively covenants that it does not owe: (1) any delinquent taxes to the State of Ohio or a political subdivision of the State; (2) any moneys to the State or a state agency for the administration or enforcement of any environmental laws of the State; and (3) 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.

(d) The Owner affirmatively covenants that it has made no false statements to the State or the City or any other local political subdivisions in the process of obtaining approval of the Community Reinvestment Area incentives for the Project. If any representative of the Owner has knowingly made a false statement to the State or local political subdivision to obtain the Community Reinvestment Area incentives, the Owner shall be required to immediately return all benefits received under the Community Reinvestment Area Agreement pursuant to Section 9.66(C)(2), Ohio Revised Code, and shall be ineligible for any future economic development assistance from the State, any state agency or a political subdivision pursuant to Section 9.66(C)(1), Ohio Revised Code. 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 Section 2921.13(D)(1), Ohio Revised Code, which is punishable by a fine of not more than \$1,000 and/or a term of imprisonment of not more than six months.

(d) The Owner will maintain membership in the Bexley Chamber of Commerce.

8. Event of Default. An event of default (an "Event of Default") means the occurrence of one or more of the following described events:

(a) The representations or warranties made by any Owner in Section 7 shall be false or incorrect in any respect material to the determination that the Development or any part thereof was eligible and entitled to the benefits provided for in this Agreement;

(b) The determination by the Housing Officer making an inspection under Ohio Revised Code Section 3735.68 that the Owner has failed to maintain or repair the Development and such default shall continue without cure for thirty (30) days after written notice thereof shall have been given to the Owner by the Housing Officer;

(c) The Owner fails to furnish when required the information described in this Agreement and such default shall continue without cure for ten (10) days after written notice thereof shall have been given to the Owner by the Housing Officer;

(d) The Owner defaults in the performance or observation of any other covenant made or required to be observed or performed under this Agreement and such default shall continue without cure for thirty (30) days after written notice thereof shall have been given to the Owner by the Housing Officer; or

(e) The Owner fails to pay such real property taxes as are not exempted under this Agreement and are charged against such property or file any tax reports and returns as required by law.

9. Remedies. If any Event of Default shall occur, the Housing Officer may pursue any one or more of the following remedies concurrently or successively. No delay or omission to exercise any such remedy shall impair any such right or power or shall be construed to be a waiver thereof.

(a) In the case of an occurrence of any Event of Default attributable to the Owner, by written notice from the Housing Officer to the Owner, the Housing Officer may terminate this Agreement and revoke the tax exemption granted pursuant to this Agreement, with such revocation effective as of the date of the Event of Default.

(b) In the case of an Event of Default under Section 8(a), the Owner shall be required to immediately return all benefits received by the Owner under this Agreement.

(c) In the case of any Event of Default attributable to the Owner, the Housing Officer on behalf of the City may exercise or pursue or cause the City to pursue any other remedy or cause of action previously permitted under this Agreement or conferred upon the City at law or in equity.

(d) In the case of an Event of Default under Section 8(f), exemptions from taxation 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.

(e) If (i) the Owner otherwise materially fails to fulfill its obligations under this Agreement, or (ii) if the City determines that the certification as to delinquent taxes required from the Owner by this Agreement is fraudulent, the City may terminate or modify the exemptions from taxation granted under this Agreement with respect to that Owner, and may, in its sole discretion, require the repayment of the amount of taxes from that Owner that would have been payable had the property not been exempted from taxation under this Agreement.

10. No Falsification. All applications, reports and other writings submitted by the Owner to the City shall constitute the representations and warranties of the Owner as to the truth and accuracy of all facts, calculations and other information set forth therein, as though fully set

forth and repeated in this Agreement. Should any such representations or warranties be false or incorrect in any material respect, the Owner 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). Further, 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.

11. Discontinuation of Operations. Exemptions from taxation granted under this Agreement shall be revoked if it is determined that the Owner 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.

12. Survival. This Agreement and all covenants, agreements, representations and warranties made herein shall survive the execution of this Agreement and the filing of the Application with the Housing Officer, the granting by the Housing Officer of the tax exemption, if any, and shall continue in full force and effect until this Agreement is terminated. This Agreement shall be terminated at the earlier of (i) the date that the exemption period expires, (ii) the date that the Agreement is terminated by the Housing Officer following an Event of Default, or (iii) the date that the Agreement is terminated by the mutual written agreement of the parties.

Further, if for any reason the City revokes the designation of the CRA, 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 the City terminates or modifies the exemption from taxation granted pursuant to this Agreement.

13. Notices. All notices required or permitted to be sent to the parties pursuant to this Agreement shall be sent to the following addresses, by hand delivery, commercial courier service or by the United States certified mail, postage prepaid:

The Housing Officer:

City of Bexley
2242 East Main Street
Bexley, Ohio 43209
Attn: Daniel J. Lorek, Development Director

The Owner

MRMJ LLC
1800 Moler Road
Columbus, Ohio 43207
Attn: Michael S. Schiff

Such notices shall be effective when received or, if delivery is refused or if certified mail is returned unclaimed, then upon the date of such refusal or return.

14. Severable Provisions. The parties herein intend and believe that each provision in this Agreement, the Application and Ordinance (together, the “Exemption Documents”) comport with all applicable local, state and federal laws and judicial decisions. However, if any provision or provisions, or if any portion of any provision or provisions, in the Exemption Documents are found by a court of law to be in violation of any applicable local, state or federal ordinance, statute, law, administrative or judicial decision, or public policy, and if such court shall declare such portion, provision or provisions of the Exemption Documents to be illegal, invalid, unlawful, void or unenforceable as written, then it is the intent of the parties herein that such portion, provision or provisions shall be given force and effect to the fullest possible extent, that the remainder of the Exemption Documents shall be construed as if such provision or provisions were not contained therein, and that the rights, obligations and interests of the parties under the remainder of the Exemption Documents shall continue in full force and effect.

[THIS SPACE INTENTIONALLY LEFT BLANK.]

IN WITNESS WHEREOF, the City of Bexley, Ohio, by David H. Madison, its Mayor, and Gary W. Qualmann, its City Auditor, and pursuant to Ordinance No. ____-05 adopted _____, 2005, has caused this instrument to be executed as of this _____ day of _____, 2005, and MRMJ LLC, by its _____, has caused this instrument to be executed as of this _____ day of _____, 2005.

CITY OF BEXLEY, OHIO

By: _____
David H. Madison
Mayor

By: _____
Gary W. Qualmann
City Auditor

MRMJ LLC

By: _____
Printed Name: _____
Its: _____

[Note: A copy of this Agreement must be forwarded to the Ohio Department Development within fifteen (15) days of finalization.]

Exhibit A

[Legal Description]

Exhibit B

[CRA Exemption Application]



Community Reinvestment Area Agreement Application

APPLICATION FOR A PROPOSED AGREEMENT for Community Reinvestment Area (CRA) Tax Incentives between the City of Bexley located in the County of Franklin and

MRMS, LLC.

(Enterprise)

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

MRMS, LLC.

Enterprise Name

1800 Molen Rd.

Cols., OH 43207

Address

Michael Schiff

Contact Person

(614) 449-4313

Telephone Number

B. Project Site:

E. Main St.

Bexley, Ohio

43209

Address

Same As Above

Contact Person

(614) 449-4313

Telephone Number

2. A. Nature of business (manufacturing, warehousing, wholesale or retail stores, or other) to be conducted at the site.

retail stores

B. List primary 4 digit Standard Industrial Code (SIC) # _____
Business may list other relevant SIC numbers.



CRA Agreement Application

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

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

Corporation

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

Michael Schiff, Jay Schottenstein, Richard Barnett, Mark Ebner

4. Is the business seasonal in nature Yes [] No [X]

5. A. State the enterprise's current full-time and part-time employment level at the proposed project site:

The enterprise will be develop and Landlord

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

Yes [X] 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:

Connells will move across the street and it brings two new tenants to Columbus (Bexley).

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

This project only

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

This project only

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

extensive

CRA Agreement Application

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6. A. Has the enterprise previously entered into an Enterprise Zone or CRA Agreement with the local legislative authorities at any site where the employment or assets will be relocated as result of this proposal?

Yes []

No [✓]

B. If yes, list the local legislative authorities, date, and term of the incentives for each Agreement:

7. Does the Enterprise 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 political subdivision of the State for the administration or enforcement of any environmental laws?

Yes []

No [✓]

C. Any other moneys to the State 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 (attach additional pages if necessary).

8. Project Description (attach additional pages if necessary):

A small retail shopping center with three tenants and an office.

9. Project is proposed to begin April 1, 2005 and estimated to be completed October 30, 2005 provided a tax exemption is provided.

CRA Agreement Application

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10. A. Estimate the number of new employees the business intends to hire at the facility that is the project site (job creation projection must be itemized by full and part-time and permanent and temporary):

Many employees (over 25) will be hired by these three operations

B. State the time frame of this projected hiring: long term years.

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

they will always be hiring

11. A. Estimate the amount of annual payroll such new employees will add \$ between \$600k and \$1m (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 \$ None

12. Market value of the existing facility as determined for local property taxation:

\$ _____

13. A. Business's total current investment in the facility as of the proposal's submission:

\$3m to \$2.5m

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):

\$ between \$500k and \$1m

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

A. Acquisition of Building(s):	\$ 900,000
B. Additions/New Construction:	\$ 900,000
C. Improvements to Existing Building(s):	\$ 50,000
D. Machinery & Equipment:	\$ 250,000
E. Furniture & Fixtures:	\$ 50,000
F. Inventory:	\$ 500,000
Total New Project Investment:	\$ 2,650,000

CRA Agreement Application

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15. A. Business requests the following tax exemption incentives: 100 % for 5 years covering real property 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):
Going forward with this project was purely based on receiving these tax benefits.

FEES:

This application must be accompanied by a non-refundable processing/monitoring fee of **Two-hundred fifty dollars (\$250)**. This fee is payable through a check or money order, made payable to the **City of Bexley**.

A separate one-time fee of **Seven-hundred fifty dollars (\$750)** will be charged by the State and collected by the City with this application. This fee is payable through a separate check or money order, made payable to the **Ohio Department of Development**.

In addition, the City requires each applicant to pay for the required newspaper publication of public notice. The cost of publication will be determined and due at the time of City Council approval.

Any CRA application submitted without the required fees will be returned to the applicant.

CRA Agreement Application

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APPLICANT'S CERTIFICATION

The applicant certifies that all information in this application, and all information furnished in support of this application, is true and complete to the best of the applicant's knowledge and belief.

Submission of this application expressly authorizes the City of Bexley 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 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 City of Bexley.

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 benefits as well as a fine of not more than \$1,000 and/or a term of imprisonment of not more than six months.

U.S.C. Title 18, Sec. 1001, provides: "Whoever, in any matter within the jurisdiction of any department or agency of the United States knowingly and willfully falsifies... or makes any false, fictitious or fraudulent statements of representations, or makes or uses any false writing or document knowing the same to contain any false, fictitious or fraudulent statement of entry, shall be fined not more than \$10,000 or imprisoned not more than five years, or both."

MRMJ, LLC

Enterprise Name

1/21/04

Date



Signature

Michael S. Schiff, Managing Partner

Typed Name and Title

Please submit the application and attachments, with the required fees, to:

**City of Bexley
Development Office
2242 E. Main Street
Bexley, Ohio 43209
(614) 235-8694**