

## COMMUNITY REINVESTMENT AREA AGREEMENT

This Community Reinvestment Area Agreement (the "Agreement") is made and entered into on [\_\_\_\_\_], 2023, by and between the City of Ontario, Ohio (the "CITY"), an Ohio municipal corporation, with offices located at 555 Stumbo Road, Ontario, Ohio 44906, and Jaiy Krishan LLC, an Ohio limited liability company (the "DEVELOPER") with its offices located at 9468 Wilbrook Drive, Powell, Ohio 43065. The CITY and the DEVELOPER are collectively referred to herein as the "Parties."

### WITNESSETH:

WHEREAS, the CITY has encouraged the development of real property and the acquisition of personal property located in the area designated as the Mixed Use Community Reinvestment Area; and

WHEREAS, the DEVELOPER plans to construct an approximately 73,000 square-foot premium branded hotel to provide hospitality services in the CITY 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, the Ontario City Council by Resolution No. 14-77 designated the Mixed Use Community Reinvestment Area pursuant Chapter 3735 of the Ohio Revised Code; and

WHEREAS, the CITY having the appropriate authority for the stated type of project is desirous of providing the DEVELOPER with incentives available for the development of the PROJECT in said Community Reinvestment Area under Chapter 3735 of the Ohio Revised Code; and

WHEREAS, the DEVELOPER has submitted a proposed agreement application, herein attached as Exhibit A, to the CITY, said application hereinafter referred to as the "Application"; and

WHEREAS, the Mayor of the CITY has investigated the Application of the DEVELOPER and has recommended the same to the City Council of the CITY on the basis that the DEVELOPER is qualified by financial responsibility and business experience to create and preserve employment opportunities in said Community Reinvestment Area and improve the economic climate of the CITY; and

WHEREAS, all required notices to school districts have been delivered or waived in accordance with Sections 3735.671 and 5709.83 of the Ohio Revised Code; 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 to the foregoing and as follows:

## **SECTION 1. PROJECT**

1. The DEVELOPER shall construct the PROJECT on the real property in the CITY and further depicted on Exhibit B, which is owned by the DEVELOPER. The PROJECT will involve a total investment by the DEVELOPER of approximately \$20,831,017.00 of hard costs as described in the Application attached hereto and made a part thereof. Machinery, equipment, furniture and fixtures and inventory in the amount of \$0 will be relocated from another facility within the State of Ohio (the "STATE"). There is \$0 of machinery, equipment, furniture and fixtures and \$0 of inventory at the site of the PROJECT prior to the execution of this Agreement. The estimates provided in this Section are good faith estimates provided pursuant to Section 3735.671(B) of the Ohio Revised Code and shall not be construed in a manner that would limit the amount or term of the tax exemptions provided in this Agreement. The parties recognize that the costs associated with the PROJECT may increase or decrease significantly. The parties also recognize that costs do not necessarily equal otherwise taxable value.
2. The PROJECT is estimated to begin on or before October 31, 2023, and all acquisition, construction and installation is estimated to be completed by January 31, 2025. The estimates provided in this Section are good faith estimates provided pursuant to Section 3735.671(B) of the Ohio Revised Code and shall not be construed in a manner that would limit the amount or term of the tax exemptions provided in this Agreement, other than as those tax exemptions are limited in Section 3.1 of this Agreement.

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

1. The DEVELOPER estimates that 10 full time employment opportunities with an estimated annual payroll of \$600,000 and 15 part time employment opportunities with an estimated annual payroll of \$400,000 will be created due to the PROJECT.
2. The Developer estimates that zero full time equivalent employment opportunities will an estimated annual payroll of zero will be retained due to the PROJECT.
3. The estimates provided in this Section are good faith estimates provided pursuant to Section 3735.671(B) of the Ohio Revised Code and shall not be construed in a manner that would limit the amount or term of the tax exemptions provided in this Agreement.

## **SECTION 3. PROGRAM COMPLIANCE**

1. The CITY hereby grants the DEVELOPER a 100% real property tax exemption pursuant to Section 3735.67 of the Ohio Revised Code for a 15-year period for the PROJECT. The exemption commences the first year for which the real property would first be taxable were that property not exempted from taxation. No exemption shall commence after tax year

2026/collection year 2027, nor extend beyond tax year 2040/collection year 2041 (15-year exemption period).

2. The DEVELOPER 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 DEVELOPER fails to pay such taxes or file such returns and reports, 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.
3. The DEVELOPER hereby certifies that at the time this Agreement is executed, the DEVELOPER does not owe any delinquent real or tangible personal property taxes to any taxing authority of the STATE, and does not owe delinquent taxes for which the DEVELOPER is liable under Chapter 5733., 5735., 5739., 5741., 5743., 5747., or 5753. of the Ohio Revised Code, or, if such delinquent taxes are owed, the DEVELOPER is currently paying the delinquent taxes pursuant to an undertaking enforceable by the STATE 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 DEVELOPER. For the purposes of the certification, delinquent taxes are taxes that remain unpaid on the latest day prescribed for payment without penalty under the chapter of the Revised Code governing payment of those taxes.
4. 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.
5. If for any reason the CITY revokes the designation of the Community Reinvestment Area, entitlements granted under this Agreement shall continue for the number of years specified under this Agreement, unless the DEVELOPER materially fails to fulfill its obligations under this Agreement and the CITY terminates or modifies the exemptions from taxation granted under this Agreement.
6. If the DEVELOPER (a) materially fails to fulfill its obligations under this Agreement, (b) fails to pay to the Ontario Local School District annual compensation in the amount of \$20,000.00, or such other amount agreed to by the Ontario Local School District and the DEVELOPER, all pursuant to the School Donation Agreement between the DEVELOPER and the Ontario Local School District, (c) fails to pay to the Pioneer Career & Technology Center annual compensation in the amount of \$2,000, or such other amount agreed to by the Pioneer Career & Technology Center and the DEVELOPER, or (d) if the CITY determines that the certification as to the delinquent taxes required by 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. A material failure includes, but is not limited to, the DEVELOPER'S failure to make any payments due to the Ontario Local School District or the Pioneer Career & Technology Center.

7. The DEVELOPER shall provide to the proper Tax Incentive Review Council any information reasonably required by the Council to evaluate the DEVELOPER's compliance with this Agreement, including returns filed pursuant to section 5711.02 of the Ohio Revised Code if requested by the Council. The DEVELOPER shall also provide such information to the CITY upon request.
8. This Agreement is not transferable or assignable without the express, written approval of the CITY.
9. Exemptions from taxation granted under this Agreement shall be revoked if it is determined that the DEVELOPER, any successor to that person, or any related member (as those terms are defined in division (C) of section 3735.671 of the Ohio Revised Code) has violated the prohibition against entering into this Agreement under division (C) 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.
10. The DEVELOPER and the CITY acknowledge that this Agreement must be approved by formal action of the City Council of the CITY as a condition for this Agreement to take effect. This Agreement takes effect upon such approval.
11. The DEVELOPER affirmatively covenants that it has made no false statements to the STATE or the CITY in the process of obtaining approval for Community Reinvestment Area incentives. If any representative of the DEVELOPER has knowingly made a false statement to the STATE or the CITY to obtain Community Reinvestment Area incentives, the DEVELOPER shall be required immediately to return all benefits received under this Agreement pursuant to Ohio Revised Code Section 9.66 (C)(2) and shall be ineligible for any future economic development assistance from the STATE, any STATE agency or a political subdivision pursuant to Ohio Revised Code Section 9.66 (C)(1). Any person who provides a false statement to secure economic development assistance may be guilty of falsification, a misdemeanor of the first degree, pursuant to Ohio Revised Code Section 2921.13, which is punishable by a fine of not more than \$1,000 and/or a term of imprisonment of not more than six months.
12. 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. Delivery of an executed counterpart hereof by facsimile or in electronic format shall be effective as manual delivery of such counterpart.
13. 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.

*[Signatures on the Next Page.]*

IN WITNESS WHEREOF, CITY, by Randy E. Hutchinson, Mayor, and pursuant to Ordinance No. 23-\_\_\_\_, and the DEVELOPER, by its duly authorized signor, has caused this Agreement to be executed on the date first set forth above.

**DEVELOPER:**

JAIY KRISHAM LLC,  
an Ohio limited liability company

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**CITY:**

CITY OF ONTARIO

By \_\_\_\_\_  
Randy E. Hutchinson, Mayor

Approved as to form:

\_\_\_\_\_  
Andrew J. Medwid, Director of Law

**EXHIBIT A**  
**CRA APPLICATION**  
**(ATTACHED)**



## EXHIBIT B

### PROJECT SITE

ADDRESS: 2577 WALKER LAKE ROAD  
ONTARIO, OHIO 44903

THE PROJECT SITE IS OUTLINED IN RED IN THE DEPICTION BELOW.

