



## **COMMUNITY REINVESTMENT AREA AGREEMENT**

This agreement made and entered into by and between the City of Ashland, Ohio, an Ohio municipality, with its main offices located at 206 Claremont Avenue, Ashland, Ohio 44805, hereinafter referred to as "The City of Ashland" and PUMP HOUSE HOSPITALITY, LLC, an Ohio Limited Liability Company with its main offices located at 55 Caren Avenue Suite 360, Worthington, Ohio 43085, hereinafter referred to as "PUMP HOUSE HOSPITALITY, LLC," an Ohio Limited Liability Company, WITNESSETH;

WHEREAS, the City of Ashland 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, PUMP HOUSE HOSPITALITY, LLC desires to renovate and construct a new sixty-eight thousand seventy-eight square foot (68,078 sq. ft.) Home2 Suites by Hilton hotel, consisting of 94 suite-style rooms, a marketplace, communal areas, a fitness center, a complimentary breakfast area, a conference room, and guest laundry, (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 City Council of Ashland, Ohio by amended Ordinance No. 21-10 adopted on May 18, 2010 with corresponding Ordinance No. 17-15 adopted on April 7, 2015, designated the area as a "Community Reinvestment Area" pursuant Chapter 3735 of the Ohio Revised Code; and

WHEREAS, effective June 9, 2015, the Director of Development of the State of Ohio determined that the aforementioned area designated in said Ordinance No. 17-15 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, the City of Ashland having the appropriate authority for the stated type of project, is desirous of providing PUMP HOUSE HOSPITALITY, LLC with incentives available for the development of the PROJECT in said Community Reinvestment Area under Chapter 3735 of the Ohio Revised Code; and

WHEREAS, PUMP HOUSE HOSPITALITY, LLC has submitted a proposed application (herein attached as Exhibit A) to the City of Ashland (hereinafter referred to as "APPLICATION"); and

WHEREAS, the Mayor of the City of Ashland has investigated the application of PUMP HOUSE HOSPITALITY, LLC and has recommended the same to the Council of City of Ashland on the basis that PUMP HOUSE HOSPITALITY, LLC 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 Ashland; and

WHEREAS, the project site as proposed by PUMP HOUSE HOSPITALITY, LLC is located in the Ashland City School District and the Ashland County-West Holmes Career Center JVSD and each Board of Education have been notified in accordance with Section 5709.83 and have been given a copy of the APPLICATION; and

WHEREAS, pursuant to Section 3735.67(A) of the Ohio Revised Code and in conformance with the format required under Section 3735.671(B) of the Ohio Revised Code, the parties hereto desire to set forth their agreement with respect to matters hereinafter contained;

NOW, THEREFORE, in consideration of the mutual covenants hereinafter contained and the benefit to be derived by the parties from the execution hereof, the parties herein agree as follows:

1. PUMP HOUSE HOSPITALITY, LLC shall to renovate and construct a new sixty-eight thousand seventy-eight square foot (68,078 sq. ft.) Home2 Suites by Hilton hotel, consisting of 94 suite-style rooms, a marketplace, communal areas, a fitness center, a complimentary breakfast area, a conference room, and guest laundry, located at 400 Orange Street, Ashland, Ohio 44805; Parcel ID P43-042-A-0056-00. The PROJECT will consist of a total investment of approximately twenty-one million five hundred thousand dollars (\$21,500,000).

The PROJECT will begin in September 2024 and all acquisition, construction and installation will be completed by January 2026, subject to delays beyond the control of PUMP HOUSE HOSPITALITY, LLC.

The total investment of this PROJECT is greater than 10% of the market value of the facility assets already owned at the site prior to such expenditures as evidenced in Exhibit A.

2. PUMP HOUSE HOSPITALITY, LLC shall provide to the proper Tax Incentive Review Council any information reasonably required by the Council to evaluate the compliance with the agreement, including returns filed pursuant to section 5711.02 of the Ohio Revised Code if requested by the Council.

3. The City of Ashland hereby grants PUMP HOUSE HOSPITALITY, LLC 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:

<u>Year of Tax Exemption</u>	<u>Tax Exemption Amount</u>
1	100%
2	100%
3	100%
4	100%
5	100%
6	100%
7	100%
8	100%
9	100%
10	100%
11	100%
12	100%
13	100%
14	100%
15	100%

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 **January 1, 2026** nor extend beyond **December 31, 2040**.

5. PUMP HOUSE HOSPITALITY, LLC shall pay an annual fee of (\$20,000) twenty thousand dollars to the Ashland City Schools, each of the fifteen (15) years this agreement is in effect. This payment is due by December 31<sup>st</sup> of each calendar year.

PUMP HOUSE HOSPITALITY, LLC shall pay an annual fee of (\$2,000) two thousand dollars to the Ashland County West-Holmes Career Center, each of the fifteen (15) years this agreement is in effect. This payment is due by December 31<sup>st</sup> of each calendar year.

6. PUMP HOUSE HOSPITALITY, LLC shall pay such real and tangible personal property taxes as are not exempted under this agreement and are charged against such property and shall file all tax reports and returns as required by law. If PUMP HOUSE HOSPITALITY LLC 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.

Notwithstanding anything contained in this Agreement to the contrary, and as a matter of contract law, PUMP HOUSE HOSPITALITY, LLC shall be entitled to contest, by the institution of appropriate administrative or legal proceeding, the valuation by the Ashland

County Auditor of any portion of the PROJECT in order to calculate taxes to be assessed thereon, or the assessment of any taxes, to the extent not exempt under this Agreement or otherwise.

7. The City of Ashland 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 designation expires, the Director of the Ohio Development Services Agency revokes certification of the zone, or the City of Ashland revokes the designation of the zone, entitlements granted under this agreement shall continue for the number of years specified under this agreement, unless PUMP HOUSE HOSPITALITY LLC materially fails to fulfill its obligations under this agreement and the City of Ashland terminates or modifies the exemptions from taxation granted under this agreement.
9. If PUMP HOUSE HOSPITALITY, LLC materially fails to fulfill its obligations under this agreement, or if the City of Ashland determines that the certification as to delinquent taxes required by this agreement is fraudulent, the City of Ashland 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. PUMP HOUSE HOSPITALITY, LLC hereby certifies that at the time this agreement is executed, PUMP HOUSE HOSPITALITY, LLC 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 PUMP HOSPITALITY, LLC is liable under Chapter 5733., 5735., 5739., 5741., 5743., 5747., or 5753. of the Ohio Revised Code, or, if such delinquent taxes are owed, PUMP HOUSE HOSPITALITY, LLC 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 PUMP HOUSE HOSPITALITY, LLC. 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 Ohio Revised Code governing payment of those taxes.
11. PUMP HOUSE HOSPITALITY, LLC 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; or (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.

12. PUMP HOUSE HOSPITALITY, LLC and the City of Ashland acknowledge that this agreement must be approved by formal action of the legislative authority of the City of Ashland as a condition for the agreement to take effect. This agreement takes effect upon such approval.
13. The City of Ashland has developed a policy to ensure that recipients of Community Reinvestment Area tax benefits practice non-discriminating hiring in its operations. By executing this agreement, PUMP HOUSE HOSPITALITY, LLC commits 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. Exemptions from taxation granted under this agreement shall be revoked if it is determined that PUMP HOUSE HOSPITALITY, LLC, 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. PUMP HOUSE HOSPITALITY, LLC 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 PUMP HOUSE HOSPITALITY LLC has knowingly made a false statement to the State or local political subdivision to obtain the Community Reinvestment Area incentives, PUMP HOUSE HOSPITALITY, LLC shall be required to immediately return all benefits received under the Community Reinvestment Area Agreement pursuant Section 9.66(C)(2) of the 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) of the 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) of the 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.
16. This agreement is not transferrable or assignable without the express, written approval of the City of Ashland.

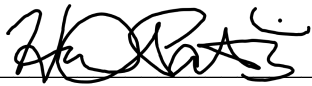
IN WITNESS WHEREOF, the City of Ashland, Ohio, by Matt Miller, its Mayor, and pursuant to Ordinance No. \_\_\_\_\_ has caused this instrument to be executed on this day of April \_\_\_\_\_, 2024 and PUMP HOUSE HOSPITALITY, LLC by HariOhm Patel, its Managing Member, has caused this instrument to be executed on this day of April \_\_\_\_\_, 2024.

**City of Ashland:**

By: \_\_\_\_\_

Matt Miller, Mayor

**PUMP HOUSE HOSPITALITY, LLC**

By:  \_\_\_\_\_

HariOhm Patel, Managing Member

Approved as to form:

\_\_\_\_\_

Richard P. Wolfe II, Law Director