

RESOLUTION NO.: 38-2019
INTRODUCED BY: Mayor Roche

A RESOLUTION AUTHORIZING THE MAYOR TO ENTER INTO A COMMUNITY REINVESTMENT ACT (CRA) AGREEMENT WITH SELMAN & COMPANY, LLC and CGF REALTY, LLC FOR PROPERTY AT 1 INTEGRITY PARKWAY.

WHEREAS, Selman & Company, LLC (“Selman”) desires to establish business operations and offices in the City of Richmond Heights by moving its business operations and a number of full-time employees into approximately 41,000 square feet of existing office space at 1 Integrity Parkway, Richmond Heights, Ohio (the “Premises”), and by constructing an approximate 13,000-square foot building on the property (the “Improvement”);

WHEREAS, an affiliated company to Selman, CGF Realty, LLC, will be the long-term lessee of the Premises from the County of Cuyahoga and will be subject to the payment of real estate taxes on the Premises;

WHEREAS, the re-location by Selman, along with the Improvement, will create full-time employment opportunities within the City of Richmond Heights;

WHEREAS, pursuant to Resolution No. 145-86, adopted by this Council in 1986, Community Reinvestment Area #1 was created which includes the Premises and provided for a five (5)-year, 100% real property tax abatement for qualifying improvements such as Selman’s proposed Improvement, and pursuant to Resolution No. 108-2018, adopted by this Council on October 9, 2018, the permissible real property tax abatements for such eligible improvements was amended to provide for up to fifteen (15) years at 100%;

WHEREAS, this Council and the administration of the City of Richmond Heights desire to provide CGF Realty, LLC with real property tax abatement for the Improvement of fifteen (15) years at 100%, which will likely commence during calendar year 2020, in exchange for Selman’s provision of an ongoing minimum number of fulltime jobs in this City during the fifteen (15)-year abatement period;

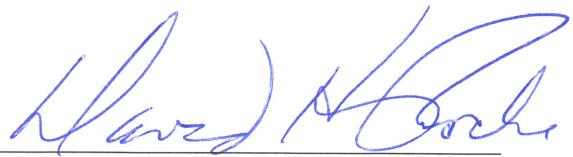
NOW, THEREFORE, BE IT RESOLVED by the Council of Richmond Heights, Cuyahoga County, State of Ohio, that:

Section 1. The Mayor is authorized to enter into a Community Reinvestment Area Agreement with CGF Realty, LLC, and Selman & Company, LLC, substantially in the form of the Agreement which is attached hereto as Exhibit “A.”

Section 2. It is found and determined that all formal actions of this Council concerning and relating to the adoption of this Resolution were adopted in an open meeting of this Council, and that all deliberations of this Council and of any of its committees that resulted in such formal action, were in meetings open to the public, in compliance with all legal requirements, including Section 121.22 of the Ohio Revised Code.

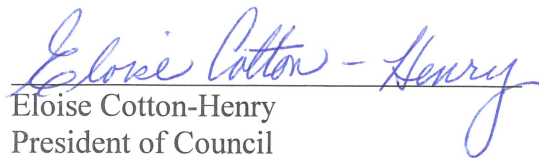
Section 3. This Resolution shall be in full force and effect from and after the earliest period allowed by law.

PASSED: April 9, 2019


David H. Roche, Mayor

APPROVED: April 9, 2019

ATTEST: Betsy Traben
Betsy Traben
Clerk of Council


Eloise Cotton-Henry
President of Council

“EXHIBIT A” to Resolution No. 38-2019

COMMUNITY REINVESTMENT AREA AGREEMENT

This COMMUNITY REINVESTMENT AREA AGREEMENT (“Agreement”) is made and entered into by and among the CITY OF RICHMOND HEIGHTS, OHIO, a municipal corporation, located at 26789 Highland Road, Richmond Heights, Ohio 44143 (hereinafter referred to as “City”) and SELMAN & COMPANY, LLC., an Ohio limited liability company, with its main office currently located at 6110 Parkland Boulevard, Mayfield Heights, Ohio 44124 (“Selman”) and CGF REALTY, LLC, an Ohio limited liability company, with mailing address of 1 Integrity Parkway, Richmond Heights, Ohio 44143 (hereinafter referred to as “CGF”). (Selman and CGF are hereinafter collectively referred to as “Grantees”).

WITNESSETH:

WHEREAS, the City of Richmond Heights Council, by Resolution No. 145-86, designated a “Community Reinvestment Area” pursuant to Chapter 3735 of the Ohio Revised Code and set forth real estate tax exemptions for qualifying improvements to property located the Community Reinvestment Area;

WHEREAS, the City of Richmond Heights Council, by Resolution No. 108-2018, amended Resolution No. 145-86 for the first time so as to provide that, within Community Reinvestment Area #1, tax exemptions for a period of up to fifteen (15) years may be granted for certain improvements to commercial and industrial real property and the Ohio Revised Code provides for a 100% abatement of real estate taxes based on the value of the eligible improvements only;

WHEREAS, the City has encouraged the development of real property located within the Community Reinvestment Area;

WHEREAS, CGF is the long-term lessee of real property within the Community Reinvestment Area #1, located at 1 Integrity Parkway, Richmond Heights, Ohio, known as Cuyahoga County Permanent Parcel No. 661-09-013, (the “Property”) which contains a facility (“Facility”) to be occupied by Selman, an entity related to CGF through common ownership;

WHEREAS, Selman proposes to use the Facility for commercial office purposes, including its operational headquarters;

WHEREAS, Selman and/or CGF are in the process of making significant improvements to the Facility, specifically an approximate 13,000 square-foot building addition to the existing Facility (the “Improvements”);

WHEREAS, pursuant to Resolution Nos. 145-86 and 108-2018, Grantees have applied to the City for a real estate tax exemption based on the Improvements to the Facility and the City agrees to grant said tax exemption as set forth in 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 hereto agree as follows:

1. The City will grant a tax exemption for the Improvements on the Property, pursuant to Ohio Revised Code Chapter 3735, as that Chapter may be applicable to a pre-1994 CRA which is the CRA that is the authority for this tax abatement, at a rate of 100% of the increased value of the Facility that results from the Improvements for a period of fifteen (15) years beginning in the first Tax Year for which the value of the Improvements is reflected on the tax duplicate ("Exemption Period").
2. By the end of the first year of the Exemption Period, Selman shall have a minimum of 150 fulltime equivalent positions at the Facility, which Facility shall include the Improvements, and a minimum payroll of \$8,000,000; and at all times during each subsequent year of the Exemption Period, Selman shall maintain the same minimum number of fulltime equivalent positions at the Facility and a minimum payroll of \$8,000,000.
3. Grantees shall provide to the proper tax incentive review council ("TIRC") any information reasonably required by said TIRC to evaluate Grantees' compliance with this Agreement, including returns filed pursuant to Ohio Revised Code Section 5711.02, if requested by said TIRC.
4. Grantees are responsible for filing all the appropriate tax forms with the County Fiscal Officer to effectuate and maintain the tax exemptions covered in this Agreement.
5. Grantees hereby certify that at the time of the execution of this Agreement, Grantees do not owe any delinquent real or tangible personal property taxes to any taxing authority of the State of Ohio or political subdivision thereof. Grantees shall timely pay all real property taxes that are not exempted pursuant to Resolution Nos. 145-86 and 108-2018 and are charged against such Property and shall file all tax reports and returns as required by law during the Exemption Period.
6. If Grantees, collectively or individually, materially fail to fulfill their obligations under this Agreement in any Tax Year of the Exemption Period, the City may terminate or modify the exemption from taxation granted by the City to Grantees for the applicable Tax Year upon ten (10) business days notice to Grantees.
7. This Agreement is not transferable or assignable without the express, written approval of the City. This Agreement may be amended only by a writing executed by the parties hereto. This Agreement may be signed in multiple counterparts, which together serve as the original. Facsimile signatures shall be treated as original signatures.

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The parties to this Agreement have caused this instrument to be executed as of the dates set forth below.

CITY OF RICHMOND HEIGHTS, OHIO

By: _____
David H. Roche, Mayor

Date: _____

APPROVED AS TO FORM.

R. Todd Hunt, Director of Law

SELMAN & COMPANY, LLC

By: _____

Print Name: _____

Its: _____

Date: _____

CGF REALTY, LLC

By: _____

Print Name: _____

Its: _____

Date: _____