

ENTERPRISE ZONE AGREEMENT
SECOR SENIOR LOFTS II, LLC (PHASE II)

THIS ENTERPRISE ZONE AGREEMENT (the "Agreement"), made and entered into on _____, 20____ (the "Effective Date") by and between the **CITY OF TOLEDO**, an Ohio municipal corporation, Department of Economic Development, One Government Center, Suite 2250, Toledo, Ohio 43604 (hereinafter the "City") and **SECOR SENIOR LOFTS II, LLC**, an Ohio limited liability company, whose address in 9100 Centre Pointe Drive, Suite 210, West Chester, Ohio 45069 (hereinafter "SECOR II").

WITNESSETH:

WHEREAS, by Ordinance No. 94-95, passed on February 28, 1995 and by Ordinance No. 326-85, passed on May 7, 1985, the Toledo City Council designated an area as an "Urban Jobs and Enterprise Zone" pursuant to Chapter 5709 of the Ohio Revised Code and declared that incentives for business offered by such zones will enhance efforts to promote the viable and diverse economic activity necessary for rejuvenation of the zone; and

WHEREAS, effective in 1995, the Director of Development of the State of Ohio determined that an area comprising Census Tracts 2, 3, 4, 8, 9, 10, 11, 12.01, 12.02, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24.01, 24.02, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39, 40, 41, 42, 43.01, 43.02, 44, 45.01, 45.03, 46, 47.01, 47.02, 48, 49, 50, 51, 52, 53, 54, 57.02, 57.03, 66, 67, 68, 69, 72.05, 73.01, 73.02, 73.03, 74, 75 and portions of Census Tract 56 located within the City of Toledo, as described in Ordinance Nos. 94-95, 87-01, and 794-01, and located within the City of Toledo, contains the characteristics set forth in Section 5709.61(A) of the Ohio Revised Code, thereby certifying that portion of Toledo as an "Urban Jobs and Enterprise Zone" under Chapter 5709 of the Ohio Revised Code (hereinafter "Toledo Enterprise Zone"); and

WHEREAS, SECOR II is the owner of that certain property located 3829 (0) Secor Rd. Toledo, Ohio, 43623, comprising approximately 2.8 acres (the "Property"), which Property is located within the boundaries of the aforementioned Enterprise Zone; and

WHEREAS, SECOR II is desirous of remediating the environmental issues and redeveloping of the Property (Phase II) provided that the appropriate incentives are available to support the economic viability of such remediation and redevelopment; and

WHEREAS, the City is desirous of providing SECOR II with the incentives available for development in an "Urban Jobs and Enterprise Zone" under Chapter 5709 of the Ohio Revised Code; and

WHEREAS, SECOR II has submitted an Enterprise Zone Application to the City pursuant to Section 5709.62(B) of the Ohio Revised Code (hereinafter the "Proposal"); and

WHEREAS, the City Department of Economic Development and its Industrial

Development Committee have investigated the Proposal of SECOR II and have recommended approval of the same to the Toledo City Council on the basis that SECOR II is qualified by financial responsibility and business experience to create and preserve employment opportunities in said Enterprise Zone and improve the economic climate of the City; and

WHEREAS, SECOR II has remitted the required application fee with its Application and the \$750.00 minimum application fee will be forwarded to the Ohio Department of Development with the final agreement; and

WHEREAS, the project site as proposed by SECOR II is located in the Washington Local School District and the Board of Education of this school district has been notified in accordance with Section 5709.83, has been given a copy of the Proposal, and has approved the incentives; and

WHEREAS, pursuant to Ordinance No. _____, passed on _____, 2022, the Toledo City Council approved the Proposal of SECOR II, determined that the applicant is qualified by financial responsibility and business experience to preserve employment opportunities in the Toledo Enterprise Zone and improve the economic climate of the City, and approved and authorized the execution of this Agreement; and

WHEREAS, pursuant to Ohio Revised Code Sections 5709.62(C) and in conformance with the format required under Section 5709.631, the parties hereto desire to set forth their agreement with respect to the matters hereinafter contained; and

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

1. PROJECT PROPOSAL.

SECOR II intends to remediate and redevelop a portion of the formerly known Sisters of Notre Dame Provincial Center, formerly the Kroger Company site (hereinafter "Facility"), which Property is located within the Toledo Enterprise Zone, and is more particularly described in **Exhibit "A"** attached hereto and made a part hereof. SECOR II upon the completion of the remediation of the Property and the demolition of any existing structure(s), intends to resume Phase 2 of 2 of the construction of 50 additional senior housing units facility, approximately 50,000 square feet of residential space and parking area. SECOR II further expects an estimated total investment of approximately **\$9,750,000.00**, as identified in the attached **Exhibit "B"**. Said anticipated investment is also referred to hereinafter as the "Project". The Project construction will begin in December 2022 and all remediation, construction and installation is anticipated to be completed by April 2024.

2. JOB RETENTION AND CREATION.

- a. SECOR II anticipates that Project will initially create two (2) part-time permanent jobs. The anticipated types of positions, range of hourly wage rates, and schedule of number of jobs created as a result of the Project are identified in the attached Exhibit "D".
- b. SECOR II anticipates that the jobs will provide an estimated annual payroll of approximately \$ 55,000.00 . The itemization of said anticipated payroll is as set forth in Exhibit "D".
- c. SECOR II currently has zero (0) full time permanent employees, zero (0) part-time permanent employees, zero (0) full-time temporary employees, and zero (0) part-time temporary employees at the Project site.
- d. SECOR II shall comply with the Job Requirements as outlined in the City of Toledo Enterprise Zone Policy attached hereto as Exhibit E.

3. TAX EXEMPTION.

- a. The City hereby grants SECOR II a tax exemption for real property improvements made to the Project site pursuant to Ohio Revised Code Sections 5709.62(D) and 5709.632(C) as follows:

A one hundred percent (100%) exemption commencing the first year for which the real property improvements would first be taxable were that property not exempted from taxation. The exemption shall extend for a period of fifteen (15) years. No exemption shall commence after the 2024 tax year nor extend beyond the 2039 tax year.

- b. SECOR II must file the appropriate tax forms (DTE 24) with the County Auditor and (#913) with the State Department of Taxation to effect and maintain the exemptions covered in this Agreement. The #913 Ohio tax form must be filed annually.

4. NON-EXEMPTED TAXES.

SECOR II 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 SECOR II fails to pay such taxes or file such returns and reports, all incentives granted under this Agreement are rescinded retroactive to the first year for which such taxes are charged or such reports or returns are required to be filed and thereafter. SECOR II, for itself and for its successors, transferees and assigns, reserves the right to challenge the value of any tax valuations associated with the Project and the Property, as permitted by law.

5. TIRC REVIEW.

a. The City of Toledo Urban Jobs and Enterprise Zone Tax Incentive Review Council (TIRC), as established by City Ordinance No. 326-85, passed on May 7, 1985, shall annually review this Agreement under Section 5709.62 of the Ohio Revised Code, to determine whether SECOR II is in compliance with the terms of this Agreement. In making that determination, the TIRC "...shall take into consideration fluctuations in the business cycle unique to any enterprise in question" as indicated in R.C. Section 5709.62(D). The TIRC shall make recommendations regarding such compliance to City Council.

b. SECOR II shall provide to the Tax Incentive Review Council any information reasonably required by the Council to evaluate its compliance with the Agreement, including in particular a copy of the annual personal property tax filings (913 and 913ex with appropriate attachments), and including returns or annual reports filed pursuant to 5711.02 of the Ohio Revised Code if requested by the Council. SECOR II hereby further authorizes the release, on a confidential basis as required by and to the fullest extent permitted by Ohio Law, of any state, county and city tax records to the City and the TIRC for the purpose of verification of compliance reporting information.

c. SECOR II 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.

6. CITY COOPERATION.

The City shall perform such acts as are necessary or appropriate to effect, claim, reserve, and maintain the 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.

7. LOSS OF ENTERPRISE ZONE DESIGNATION.

If for any reason the Enterprise Zone designation expires, the Director of the Ohio Development Services Agency 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 herein, unless SECOR II materially fails to fulfill its obligations hereunder and the City terminates or modifies the exemptions from taxation granted under this Agreement.

8. COVENANTS AND REPRESENTATIONS OF APPLICANT.

a. SECOR II hereby certifies that at the time this Agreement is executed, it 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 it is liable under Chapter 5733, 5735, 5739, 5741, 5743, 5747, or 5753 of the Ohio Revised Code, or, if such delinquent taxes are owed, SECOR II is currently 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 SECOR II. 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.

b. The City has developed a policy to ensure that recipients of Enterprise Zone tax benefits practice non-discriminating hiring in its operations. By executing this Agreement, SECOR II hereby commits to follow 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.

c. SECOR II affirmatively covenants that it has made no false statements to the City in the process of obtaining approval for the Enterprise Zone incentives. If any representative of SECOR II has knowingly made a false statement to the City to obtain the Enterprise Zone incentives, SECOR II shall be required to immediately 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 City pursuant to Ohio Revised Code Section 9.66(C)(1)

9. PENALTY AND REIMBURSEMENT PROVISIONS.

a. If SECOR II materially fails to keep any covenant made herein or fails to fulfill its obligations under this Agreement, other than with respect to the number of employee positions estimated to be created or retained 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 herein.

b. Exemptions from taxation granted under this Agreement shall be revoked if it is determined that SECOR II, any successor enterprise, or any related member (as those terms are defined in Section 5709.61 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, 5709.63, or 5709.632 of the Ohio Revised Code prior to the time prescribed by that division or either of those sections.

c. In any three (3) year period during which this Agreement is in effect, if the actual number of employee positions created or retained by SECOR II is not equal to or greater than seventy-five percent (75%) of the number of employee positions estimated to be created or retained under this Agreement during that three (3) year period, SECOR II shall repay the amount of taxes on property that would have been payable had the property not been exempted from taxation under this Agreement during that three (3) year period. In addition, the City may terminate or modify the exemptions from taxation granted under this Agreement.

10. PAYMENT TO SCHOOL DISTRICT.

By Motion to Approve Abatement Payment Agreement: Secor Senior Lofts II LLC, dated October_____, 2022 (the “Motion”), Washington Local School District Board of Education approved the tax abatements to be provided to SECOR II as set forth in Section 3 above.

The Board of Education's approval of the tax abatements provided for herein is subject to a Service Payment agreement between Washington Local School District and SECOR II for a payment in lieu of taxes (“PILOT”). SECOR II shall submit an annual PILOT to the School District for the entire term of the tax abatement in an amount equal to one hundred percent (100%) of what the School District would have otherwise received if it were not for (i) a 50% tax exemption on the assessed valuation of the real property prior to remediation for a period of 15 years and (ii) 100% tax exemption on the increase in assessed valuation of the real property after valuation of the new development for a period of 15 years.

In exchange for the Service Payment agreement, the Board of Education for the Washington Local School District waived pursuant to the Motion any and all rights the School District may have pursuant to Ohio Revised Code Section 5709.82 or otherwise to share in the increased income tax revenue collected by the City and resulting from the Project.

11. ASSIGNMENT OR TRANSFER.

This Agreement is not transferable or assignable without the express, written approval of the City. This Agreement shall be assignable by the City to new owners only upon the new owner's written acceptance of all the terms and conditions of this Agreement.

12. PRIOR COUNCIL APPROVAL.

SECOR II and the 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 and it shall take effect upon such approval.

13. MISCELLANEOUS

a. All notices or other communications required or permitted under this Agreement shall be in writing and shall be sent either: 1) through the United States Postal Service, designated as registered or certified mail, return receipt requested and bearing adequate postage; 2) by means of an express delivery service if it obtains a written receipt to confirm delivery; or 3) by hand delivery to the address of the recipient set forth below. Each such notice shall

be effective upon the receipt thereof by the addressee. By giving the other parties hereto at least seven (7) days' notice thereof, any party hereto shall have the right from time to time and at any time while this Agreement is in effect to change its address, and each party shall have the right to specify as its address any other address within the continental United States of America. Notices shall be sent to the City and SECOR II as set forth below:

As to the City: City of Toledo
Attn: Department of Economic Development
One Government Center, Suite
2250 Toledo, OH 43604

With a copy to: City of Toledo
Attn: Law Department
One Government Center, Suite
2250 Toledo, OH 43604

As to SECOR II: Secor Senior Lofts II, LLC
9100 Centre Pointe Drive, Suite 210
West Chester, Ohio 45069
Attn.: Brian McGeady

b. This Agreement shall be governed by and construed in accordance with the laws of the State of Ohio. Any legal action will be brought in a court of competent jurisdiction in Lucas County, Ohio.

c. The validity of any section, subsection, clause, or provision of this Agreement shall not affect the validity of the remaining sections, subsections, clauses, or provisions of this Agreement; provided, however, that if any section, subsection, clause, or provision of this Agreement is determined by a court of law to be invalid, the City or SECOR II may, upon thirty (30) days' notice, terminate this Agreement.

d. Nothing in this Agreement shall be deemed to create any right in a person or entity not a party hereto, and this Agreement shall not be construed in any respect to be a contract in whole or in part for the benefit of any third party. This Agreement is not intended, nor shall it be deemed or construed, to amend, alter, or affect any labor agreement to which SECOR II is a party.

e. This Agreement constitutes the complete understanding of the parties and merges and supersedes any and all other discussions, agreements, and understandings, either oral or written, between the parties with respect to the subject matter hereof. No promises, agreements, or representations have been made in connection with this Agreement, nor have any promises, agreements, or

representations been relied upon by the City and SECOR II in executing this Agreement except for the undertakings and agreements as specifically set forth in this Agreement, including all attachments. Either party may, at any time during the term of this Agreement, request amendments or modifications. No amendment or modification to this Agreement shall be effective unless agreed upon in writing by the City and SECOR II.

f. SECOR II shall not be considered to be in default in the performance of its obligations under this Agreement as a result of any cause beyond its reasonable control, including but not limited to severe and unusual weather, acts of God, explosion, riot, acts of civil disobedience or sabotage, productivity or technological changes, power failures or shortages, restraint by court order or order of public authority, action or omission by any government agency, or labor strikes or other labor disturbances.

g. To the extent of any conflict or inconsistencies between the terms and provisions of this Agreement and any other document, instrument or exhibit attached hereto, the terms and provisions of this Agreement shall govern and control.

h. Living Wage. The City of Toledo Living Wage Requirements, set forth in Toledo Municipal Code 187.24(c) 187.36, 187.37, 187.38, 187.39 and 187.40 (PLEASE NOTE THAT SECTION 187.36 AND 187.37(c) WERE RECENTLY AMENDED, ORDINANCE 882-03) apply to this Agreement and to all subcontracts entered for the performance of this Agreement. Upon notification of a violation of any of those requirements, SECOR II will have thirty (30) days to bring itself and/or its subcontractors into compliance. At the end of the thirty (30) day period, if a violation exists, the City may terminate this Agreement and pursue any other legal remedies. If a business violates the Living Wage provision a second time, all City contracts with that business shall automatically terminate and no new contracts shall be entered for a five (5) year period. (See Toledo Municipal Code 187.38(c).)

Retaliation against any employee claiming violation of the City of Toledo Living Wage provisions is expressly prohibited. Such retaliation shall be grounds for termination of this Agreement. (See Toledo Municipal Code 187.38(d).)


[THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the parties hereto intending to be legally bound, have each caused this Agreement to be executed by their duly authorized representatives as of the Effective Date first above written.

**SECOR SENIOR LOFTS II LLC,
an Ohio limited liability company**

**By: PHP Secor Senior Lofts II LLC,
an Ohio limited liability company
its Project Managing Member**

**By: Pivotal GP Holding LLC
a Georgia limited liability company
its Sole Member**

By: 
Signature (Authorized Signer)
Brian Mc Geady
Printed Name

CITY OF TOLEDO

**By: _____
Wade Kapszukiewicz, Mayor**

APPROVED AS TO CONTENT:

Dept. of Economic Development

APPROVED AS TO FORM:

Law Department

ACKNOWLEDGED AND AGREED TO:

The undersigned hereby acknowledges, confirms and agrees to the terms, conditions and representations set forth in Section 11 of the Enterprise Zone Agreement.

Washington Local School District

By: _____
Name: _____
Title: _____

LIST OF EXHIBITS:

- Exhibit "A" Legal Description
- Exhibit "B" Project Investment Detail and Existing Values Exhibit "C" Satisfaction of Investment Requirements
- Exhibit "D" Schedule of Job Retention and Creation and Projected Payroll Exhibit "E" Enterprise Zone Policy
- Map Exhibit "F" Assignment

Exhibit "A"

LEGAL DESCRIPTION

Exhibit "B"

PROJECT INVESTMENT DETAIL

	<u>Estimated Cost</u>
Acquisition of Land/Buildings	\$735,000
New Construction	\$8,605,500
Furniture and Fixtures	\$409,500
TOTAL INVESTMENT AMOUNT	\$9,750,000

EXISTING TAX VALUES PRIOR TO EXECUTION OF THIS AGREEMENT

Land Value	\$951,500
Building Value	\$unknown
TOTAL EXISTING TAX VALUE	\$951,500

Exhibit "C"

Tax Parcel	Address	Land	Building
	3829 Secor Rd.	\$951,500	\$0

Exhibit "D"

Page 1 of 2

SCHEDULE OF JOB RETENTION

Types of Positions Retained	Salary/Range of Hourly Wage Rates	Jobs Retained	2024	2025	2026
Manager	\$0	0	0	0	0
Supervisors	\$0	0	0	0	0
Other - Salary	\$0	0	0	0	0
Other - Hourly	\$0	0	0	0	0
TOTAL	N/A	0	0	0	0

PROJECTED PAYROLL OF RETAINED EMPLOYEES

Type of Position	Annual Payroll
Manager-Hourly	\$0
Maintenance	\$0
Other - Salary	\$0
Other - Hourly	\$0
TOTAL	\$0

SCHEDULE OF JOB CREATION

Position	2024 Year 1	2025 Year 2	2026 Year 3	2027 Year 4	2028 Year 5
Salaried Managers, Supervisors, Other					
Permanent					
Full Time	0	0	0	0	0
Part Time	1	1	1	1	1
Temporary					
Full Time	0	0	0	0	0
Part Time	0	0	0	0	0
Hourly Employees					
Other					
Permanent					
Full Time	0	0	0	0	0
Part Time	1	1	1	1	1
Temporary					
Full Time	0	0	0	0	0
Part Time	0	0	0	0	0

SALARY/RANGE OF HOURLY WAGE RATES

Type of Position	Salary/Range of Hourly Wage Rates
Managers-Hourly	\$19
Supervisors	\$0
Other - Salaried	\$0
Other - Hourly	\$18

PROJECTED PAYROLL OF NEW EMPLOYEES

Type of Position	Annual Payroll
Managers - Hourly	\$28,250
Supervisors - Salaried	\$0
Other – Salaried	\$0
Other – Hourly	\$26,750
TOTAL	\$55,000

Exhibit "E"

City of Toledo

ENTERPRISE ZONE POLICY

This policy, pursuant to Ordinance No. 94-95 and as amended by Ordinance No. 735-96, 87-01, 794-01, and 307-03 shall govern the City of Toledo's Enterprise Zone Incentive Program.

1. ELIGIBILITY

Enterprise Zone benefits shall be made available to enterprises for the purpose of establishing, expanding, renovating, or occupying facilities and hiring new employees and preserving jobs within said zones in exchange for local tax incentives granted by the City of Toledo. Enterprise Zone benefits shall be available for projects within the Enterprise Zone, as defined by City Council (the "Enterprise Zone"), and that contribute to the economic welfare of the community. Projects that contribute to the net economic welfare are those that market their goods or service beyond the northwestern Ohio region and thus bring new dollars into the region. Examples of such activities include: manufacturing, research and development, as well as transportation and distribution (other than local).

A business cannot take advantage of both the Enterprise Zone and Community Reinvestment Area ("CRA") incentives for the same project.

Applicants must certify they are current on all Federal, Ohio, Lucas County, and City of Toledo tax obligations.

2. APPROVAL REPRESENTATIONS

To decide whether to approve the incentive application, the Industrial Development Committee shall consider the following and make a recommendation to City Council:

- A. The applicant has any record of significant and final adjudicated violations of criminal, labor or environmental laws;
- B. The applicant's proposed new business or business expansion poses any significant environmental or safety hazard to the community;
- C. The applicant allows local suppliers and service providers to compete fairly to supply goods and services to the business;
- D. The applicant plans to use area workers for any construction connected to the new business or business expansion; and
- E. If the total project construction cost exceeds \$200,000 the applicant plans to pay the area's standard wage for any construction involved with the new business or business expansion.

3. BENEFITS

Approved projects shall receive tax exemption on new real and personal property investment in accordance with the following schedule:

Years 1 through 15-----100%

In return for the 15-year 100% exemption for new real and personal property, the enterprise benefiting from the tax exemption shall make payments to the local school district in which the project is located equivalent to forty-five percent (45%) of the total tax exemption benefit unless otherwise agreed upon between the enterprise and the school district. Said payments shall be made at such time as the real and personal property taxes would have been otherwise paid.

The maximum net savings to the enterprise shall not exceed a ratio, as calculated at the time of the application, of \$.50 of total net taxes saved to the enterprise over the term of the tax benefit to \$1.00 of new payroll generated or retained over the term of the tax benefit.

The applicant shall enter into an Enterprise Zone Agreement (the "Agreement") to be eligible for these benefits pursuant to Paragraph 12 below.

4. SUB-ZONE BENEFITS

To further enhance development opportunities within the inner-city areas, the City of Toledo has established a Sub-Zone (the "Sub-Zone") in which the project shall be eligible for tax benefits on both real property and personal property improvements. The Sub-Zone is comprised of census tracts 14 (east of Auburn), 22 (west of Franklin and south of Winthrop), 23 (west of Franklin), 24.02, 25 (west of Detroit), 27, 28, 29, 30, 31, 32, 33, 34, 35, 37, 38 and 41.

Within the Sub-Zone, the maximum percentage of value eligible for tax benefits shall be as follows:

Years 1 through 15-----100%

In return for the 15-year 100% exemption for new real and personal property, the enterprise benefiting from the tax exemption shall make payments to the local school district in which the project is located equivalent to thirty-five percent (35%) of the total tax exemption benefit unless otherwise agreed upon between the enterprise and the school district. Said payments shall be made at such time as the real and personal property taxes would have been otherwise paid.

The maximum net savings to the enterprise shall not exceed a ratio, as calculated at the time of the application, of \$.50 of total net taxes saved to the enterprise over the term of the tax benefits to \$1.00 of new payroll generated or retained over the term of the tax benefits.

5. JOB REQUIREMENTS

The applying business shall be required to provide an estimate of the number and type of jobs to be created or retained by the project and the expected payroll to be generated. Applicants projecting job creation shall be required to list all job openings with "The Source" concerning job opportunities and to give fair consideration to applicants referred by "The Source."

Twenty-five percent (25%) of the qualifying new employees hired as a result of the Agreement must meet at least **one** of the following criteria at the time of hire:

- A Residents of Lucas County who have been unemployed for at least six months and who have been residents of Lucas County during that period;
- B. Residents of the Enterprise Zone for at least one year;
- C Residents of Lucas County for at least six months who are recipients of unemployment compensation, Temporary Aid to Needy Families or general relief; or
- D. Handicapped persons who have been residents of Lucas County for six months.

At least 10% of all new employees must, at the time of their employment, be residents of the Hiring Priority Arce (see attached map), which is the area bounded by Lagrange Street from the Maumee River north to Central Avenue, Central Avenue west to Cherry Street, North to Haverhill, Haverhill north to Jeep Parkway, Jeep Parkway south to the Ottawa River, the Ottawa River south to Torrey Hill Drive extended, Torrey Hill Drive extended south to Bancroft Street, Bancroft Street west to Parkside Boulevard, Parkside Boulevard south to Hill Avenue, Hill Avenue east to Fearing Boulevard, Fearing Boulevard south to Detroit Avenue, Detroit Avenue south to South Avenue, South Avenue east to its intersection with I-75, east along a line from the intersection of South Avenue and I-75, across the Maumee River to the intersection of Miami Street and Navarre Avenue, Navarre Avenue east to East Broadway, East Broadway north to Morrison Drive, Morrison Drive north to its intersection with Front Street, north along a line from the intersection of Morrison Drive and Front, across the Maumee River to Lagrange Street. For good cause shown and upon the recommendation of the Industrial Development Committee, City Council may waive this requirement.

During the entire term of the tax benefits, in construction and operation of the facility the enterprise shall not discriminate against any employee or applicant for employment because of race, color, religion, sex or national origin and the enterprise will take affirmative action to ensure the applicants are employed, and the employees are treated during employment, without regard to race, color, religion, sex or national origin. In this regard, during the term of the tax benefits, the enterprise will maintain an active program to ensure compliance with the above-mentioned requirements of equal employment opportunity and affirmative action.

6. MONITORING COMPLIANCE

During the incentive period, the Tax Incentive Review Council ("TIRC"), as appointed from time to time in accordance with ORC Section 5709.85, as follows herein, shall audit the business at least annually with respect to its investment, job creation/retention goals and payments to school districts. Payroll and other business records necessary to conduct a fair review of such performance shall be made available to the TIRC through the City of Toledo's Department of Neighborhoods during normal business hours.

ORC Section 5709.85 sets forth the composition of the TIRC. The TIRC shall include the following:

- A. The Chief Executive Officer or his designee;
- B. A member of the legislative authority of the municipal corporation, appointed by the president of the legislative authority or, if the chief executive officer of the municipal corporation is the president, appointed by the president pro tempore of the legislative authority;
- C. The County Auditor or his designee;
- D. The Chief Financial Officer of the municipal corporation or his designee;
- E. An individual appointed by the board of education of each city, local, exempted village, and joint vocational school district to which the instrument granting the exemption applies; and
- F. Two members of the public appointed by the chief executive officer of the municipal corporation with the concurrence of the legislative authority.

Note that at least four members of the TIRC must be residents of the municipal corporation and that at least one of the two public members must be a minority.

The TIRC shall make a recommendation to the Mayor and City Council as to the compliance and recommend reduction or termination of benefits. The Mayor and City Council are the final determining bodies as to any reduction or termination of benefits.

7. DINOSAUR BUILDINGS

Projects being undertaken in a "dinosaur building" shall receive the same level of benefits and be subject to the same conditions as projects located within the Sub-Zone.

A dinosaur building is defined as one in which more than 50% of the floor area is more than 50 years of age. To be eligible for tax benefits, the building in which the business operates must either be owned by the applicant or must have a minimum three-year lease to operate in the building. If the applicant is a lessee, the term of the tax benefits shall be no longer than the term of the lease.

8. ASSIGNABILITY

An Agreement shall be assignable to a new owner(s) upon the new owner's written acceptance of all of the terms and conditions of the agreement and express written approval of the City of Toledo.

9. TERMINATION

- A. Agreements will be modified or terminated by the Mayor and City Council upon any of the following conditions:
- a. Misrepresentation of any material facts in the application for Enterprise Zone incentives;
 - b. Significant failure to achieve investment and job creation goals as contained in the Agreement;
 - c. Failure to comply with requests for monitoring data necessary to allow the TIRC to evaluate compliance with the terms of the Agreement;
 - d. Subsequent transfer of a significant percentage of jobs to employment areas outside of the City of Toledo;
 - e. Significant and final adjudicated violations of criminal, labor or environmental laws; or
 - f. Failure to pay the monitoring fee pursuant to paragraph 11.
- B. An Agreement that grants tax benefits will automatically terminate for failure to pay obligations to the school district, as set forth in the Agreement.

10. APPROVAL RECOMMENDATIONS

The Mayor shall appoint, with the approval of City Council, members of the City's Industrial Development Committee, which shall include representatives from the City of Toledo, business, labor, the Toledo Public Schools and the Washington Local Schools. The Committee shall review all Enterprise Zone incentive applications and shall make recommendations to City Council.

11. APPLICATION AND MONITORING FEE

Businesses wishing to apply for Enterprise Zone incentives shall pay a fee equal to one percent (1%) of the first year's projected tax savings, up to a maximum of \$2,500. The minimum application fee shall be \$750 to cover the costs associated with review and processing the application. Additionally, businesses that are granted tax benefits shall be assessed an annual fee equal to the greater of one percent (1%) of the taxes saved or \$500, up to a maximum of \$2,500 per year, to provide for the cost of monitoring and record keeping. Fees collected shall be deposited to Fund 83.

12. CONTRACT TERMS

The terms and conditions of any Agreement between the City of Toledo and the applicant shall be embodied in a written, enforceable contract.

Exhibit "F"

