

ORDINANCE NO. 2021 – 50A

INTRODUCED BY MAYOR AND COUNCIL AS A WHOLE

**AN ORDINANCE AUTHORIZING THE MAYOR TO ENTER INTO A COMMUNITY REINVESTMENT AREA AGREEMENT WITH OAKWOOD CENTER, LLC AND DECLARING AN EMERGENCY**

**WHEREAS**, the Village Oakwood and the Oakwood Center, LLC (hereinafter “LLC”) have previously entered into a Project Development Agreement (hereinafter “PDA”) on or about February 18, 2021 for development of certain real property for use by Interstate-McBee, LLC which PDA calls for the extension of certain incentives under Oakwood’s Community Reinvestment Area No. 1; and,

**WHEREAS**, LLC believes it to be necessary to enter into a separate Community Reinvestment Area Agreement (hereinafter “Agreement”) for submission to the Ohio Development Services Agency and other governmental agencies; and,

**WHEREAS**, the Agreement does not alter but restates and supplements the PDA; and,

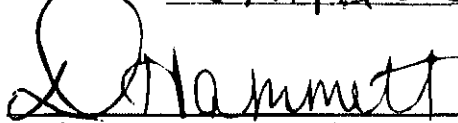
**WHEREAS**, time is of the essence as the Agreement must be in place before construction of the said project contemplated in the PDA begins and LLC is prepared to begin construction in September 2021;

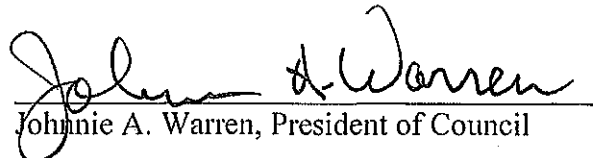
**NOW THEREFORE, BE IT RESOLVED** by the Council of the Village of Oakwood, County of Cuyahoga, and State of Ohio that:

**SECTION 1.** The Mayor be and is hereby authorized to enter the Agreement substantially in the form attached hereto and incorporated herein as Exhibit "1".

**SECTION 2.** This Ordinance is hereby declared to be an emergency measure necessary for the immediate preservation of the public peace, health, safety and welfare of the inhabitants of the Village, the reason for the emergency being that the foregoing Agreement is required before the commencement in September 2021 of construction of the foregoing project which is deemed to be highly beneficial to the Village and its citizens, provided it receives two-thirds (2/3) of the vote of all members of Council elected thereto, said Ordinance shall be in full force and effect immediately upon its adoption by this Council and approval by the Mayor, otherwise from and after the earliest period allowed by law.

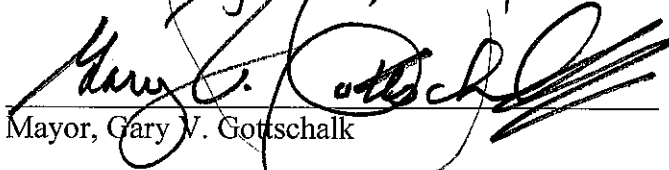
PASSED: 8/11/2021

  
Dionna Hammett, Interim Clerk of Council

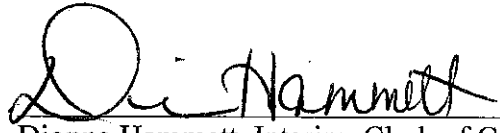
  
Johnnie A. Warren, President of Council

Presented to the  
Mayor August 11, 2021

Approved: August 11, 2021

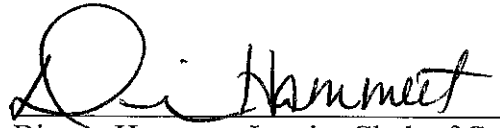
  
Mayor, Gary V. Gottschalk

I, Dionna Hammett, Interim Clerk of Council of the Village of Oakwood, County of Cuyahoga and State of Ohio, do hereby certify that the foregoing Ordinance No. 2021 - 50 was duly and regularly passed by this Council at the meeting held on the 11 day of August, 2021.

  
Dionna Hammett, Interim Clerk of Council

**POSTING CERTIFICATE**

I, Dionna Hammett, Interim Clerk of Council of the Village of Oakwood, County of Cuyahoga and State of Ohio, do hereby certify that Ordinance No. 2021 - 50 was duly posted on the 11 day of August, 2021, and will remain posted for a period of fifteen (15) days thereafter in the Council Chambers in the locations and manner provided in the Village Charter.

  
Dionna Hammett, Interim Clerk of Council

DATED: August 11, 2021

**COMMUNITY REINVESTMENT AREA AGREEMENT**

This Community Reinvestment Area Agreement ("Agreement") is made and entered into as of this 27th day of September, 2021 by and between the **Village of Oakwood**, Ohio, a municipal corporation, with its main office located at 24800 Broadway Avenue, Oakwood Village, OH 44146 (the "Village"), and **Oakwood Center, LLC**, an Ohio limited liability company ("Oakwood Center"), with its main offices located at 5300 Lakeside Avenue, Cleveland, OH 44114.

## WITNESSETH

WHEREAS, to encourage the development of real property and the acquisition of personal property, the Village has established a Community Reinvestment Area (the "Investment Area") pursuant to Chapter 3735 of the Ohio Revised, which is further evidenced by Ordinance No. 2019-09 adopted on January 22, 2019 by the Village's Council;

WHEREAS, effective March 8, 2019, the Director of Development of the State of Ohio determined that Investment Area designated in said Ordinance No. 2019-09 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;

WHEREAS, Oakwood Center desires to purchase approximately thirty (30) acres of land, as hereinafter set forth, to construct a new two-hundred thousand (200,000) square foot facility comprised of modern corporate offices and a state-of-the-art warehouse (hereinafter referred to as the "Project");

WHEREAS, the Project will be developed within the boundaries of the Investment Area;

WHEREAS, McBee Supply Corporation, an Ohio corporation ("McBee"), is an affiliate of Oakwood Center and will function as the primary tenant of the Project site;

WHEREAS, to support the economic viability of the Project, Oakwood Center desires development incentives from the Village;

WHEREAS, the Village desires to provide Oakwood Center with incentives available for the development of the Project in accordance with Chapter 3735 of the Ohio Revised Code;

WHEREAS, Oakwood Center submitted a Community Investment Area Application (the "Application") to the Village on or around November 23, 2020, a copy of which is attached hereto as **Exhibit B** and incorporated herein.

WHEREAS, in connection with the Application, Oakwood Center has remitted the required application fee of \$750.00 to the Ohio Department of Development, and the Ohio Department of Development has been given a copy of the Application;

WHEREAS, the Village has thoroughly investigated Oakwood Center's Application and has recommended that the same be approved by the Village's Council on the basis that Oakwood

Center is qualified to create, or cause to be created, and preserve employment opportunities in the Investment Area, and will improve the economic climate of the Village;

WHEREAS, the Project's site is located in the Bedford City School District (the "School District");

WHEREAS, the School District's Board of Education (the "Board of Education") has been notified of the Project, in accordance with Section 5709.83 of the Ohio Revised Code, and has 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. Oakwood Center shall purchase approximately thirty (30) acres of land, said land being located at 7400 Oakleaf Road, Oakwood Village, OH 44146 and known as PPN#s 795-49-010, 795-50-013, 795-50-014, 795-15-048, 795-50-011, 795-50-012, 795-49-005, 795-49-006, and 795-49-007, which is more particularly described on **Exhibit A** attached hereto and incorporated herein (the "Property"). Oakwood Center shall use the Property to develop the Project, which shall consist of modern corporate offices and a state-of-the-art warehouse (the "Facility") to accommodate McBee's business operations.

Oakwood Center shall, or shall cause the purchase and installation of new machinery and equipment in the Facility, including, but not limited to lift tables, racking, and a conveyor system.

The Project shall involve a total investment by Oakwood Center, and its affiliates, of approximately Twenty-Two Million Dollars (\$22,000,000) by 2029, plus or minus ten percent (10%) (the "Investment"). Included in the Investment is Twenty Million Dollars (\$20,000,000) for Oakwood Center's construction of the initial 200,000 square foot facility, One Million Dollars (\$1,000,000) to purchase machinery and equipment, and One Million Dollars (\$1,000,000) to furnish the facility, among other costs.

As of the date of this Agreement, the Project will commence on or around January 1, 2022, with the anticipated completion date by December 31, 2023.

2. Oakwood Center shall, or shall cause the creation, within a time period not exceeding five (5) years after the commencement of construction of the Facility, the equivalent of thirty (30) new full-time permanent job opportunities subject to payroll taxation by the Village (the "New Jobs"). The New Jobs will be in place by December 31, 2025.

In total, Oakwood Center and its affiliates has Two Hundred Seventy-Two (272) full-time permanent employees, part-time permanent employees, full-time temporary employees, and part-time temporary employees in the State of Ohio (the "Existing Jobs").

The New Jobs will result in approximately Nine Hundred Fifty Thousand Dollars (\$950,000) of additional annual payroll for Oakwood Center and its affiliates for new full-time permanent jobs. The retention of Existing Jobs will maintain the current annual payroll of Twelve Million Eight Hundred Thirty-Six Thousand Three Hundred Fifty-Six Dollars (\$12,836,356).

3. The Village hereby grants Oakwood Center a tax exemption for real property improvements made on the Property for the Project, pursuant to Section 3735.67 of the Ohio Revised Code, which shall be in the following amounts:

Exemption Term	10 Years	Percentage of Exemption	75%
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The exemption commences the first year for which the exemption would first be taxable were that property not exempted from taxation. No exemption shall commence after December 31, 2024 nor extend beyond December 31, 2035.

4. Oakwood Center shall pay 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 Oakwood Center 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.

5. Oakwood Center hereby certifies that at the time this Agreement is executed, Oakwood Center 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 Oakwood Center is liable under Chapter 5733., 5735., 5739., 5741., 5743., 5747., or 5753. of the Revised Code, or, if such delinquent taxes are owed, Oakwood Center 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 Oakwood Center. 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.

6. The Village 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.

7. If for any reason the Investment Area designation expires, the Director of the Ohio Department of Development revokes certification of the Investment Area, or the Village revokes the designation of the Investment Area, entitlements granted under this Agreement shall continue for the number of years specified under this Agreement, unless Oakwood Center materially fails

to fulfill its obligations under this Agreement and the Village terminates or modifies the exemptions from taxation granted under this Agreement.

8. If Oakwood Center materially fails to fulfill its obligations under this Agreement, or if the Village determines that the certification as to delinquent taxes required by this Agreement is fraudulent, the Village 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.

9. Oakwood Center shall provide to the proper Tax Incentive Review Council (the "Council") any information reasonably required by the Council to evaluate its compliance with the Agreement, including returns filed pursuant to section 5711.02 of the Ohio Revised Code if requested by the Council.

10. In lieu of the fee stipulated by Section 3735.671(B) of the Ohio Revised Code, Oakwood Center has agreed to pay, pursuant to that certain Project Development Agreement between Oakwood Center and the Village dated February 18, 2021 (the "Development Agreement"), certain additional amounts to the Village and other organizations as set forth in said Development Agreement (the "Alternative Fees"). The Alternative Fees shall be paid solely in accordance with the terms of the Development Agreement. For the avoidance of doubt, this Agreement is intended to supplement, not supplant, the Development Agreement, and in the event of conflict, the terms of said Development Agreement shall govern.

11. Oakwood Center and the Village acknowledge that this Agreement must be approved by formal action of the legislative authority of the Village as a condition for the Agreement to take effect.

12. Exemptions from taxation granted under this Agreement shall be revoked if it is determined that Oakwood Center, 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, Section 5709.62, or Section 5709.63 of the Ohio Revised Code prior to the time prescribed by that division or either of those sections.

13. Oakwood Center affirmatively covenants that it has made no false statements to the State or local political subdivisions in the process of obtaining approval of the incentives provided for herein. If any representative of Oakwood Center has knowingly made a false statement to the State of Ohio, the Village, or any other governmental authority to obtain the incentives provided for herein, Oakwood Center shall be required to immediately return all benefits received under this 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 of Ohio, the Village, 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.

14. This agreement is not transferable or assignable without the express, written approval of the Village.

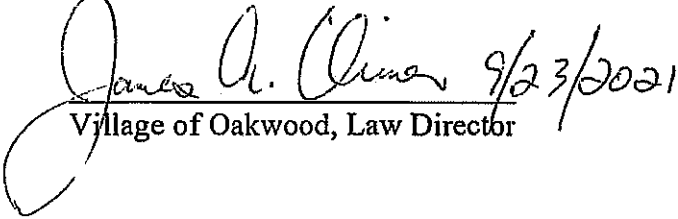
15. Except as otherwise provided herein, any statement, notice, or other communication that any party hereto may desire or be required to give to any other party hereto shall be deemed sufficiently given or rendered if hand delivered or if sent by nationally recognized overnight delivery service or by registered or certified mail, return receipt requested, addressed to the respective addresses first written above. Notice shall be effective when the same is given, if hand delivered, or one (1) day after sending, if sent by nationally recognized overnight delivery service, or upon the first attempted delivery if sent by registered or certified mail, return receipt requested.

16. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original but all of which shall constitute one instrument. A facsimile, PDF or other electronic signature of either party on any counterpart may be relied upon as an original signature.

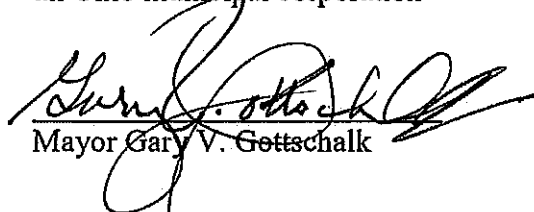
*[Remainder of page left blank; signature page follows]*

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the date first written hereinabove.

Approved as to form:

  
James A. Climer 9/23/2021  
Village of Oakwood, Law Director

Village of Oakwood,  
an Ohio municipal corporation

  
Mayor Gary V. Gottschalk

Oakwood Center, LLC,  
an Ohio limited liability company

\_\_\_\_\_  
Brad Buescher, Treasurer

[Signature Page to Community Reinvestment Area Agreement]



IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the date first written hereinabove.

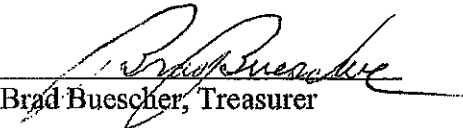
Approved as to form:

\_\_\_\_\_  
Village of Oakwood, Law Director

**Village of Oakwood,**  
an Ohio municipal corporation

\_\_\_\_\_  
Mayor Gary V. Gottschalk

**Oakwood Center, LLC,**  
an Ohio limited liability company

  
\_\_\_\_\_  
Brad Buescher, Treasurer

*[Signature Page to Community Reinvestment Area Agreement]*

## EXHIBIT A

Parcels 795-49-005, 795-49-006, and 795-49-007

### PARCEL 1:

Situated in the Village of Oakwood, County of Cuyahoga and State of Ohio, and known as being all of Sublot No. 7 in the J.F. Shaffer One Acre Farms Subdivision of part of Original Bedford Township Lots Nos. 76 and 87 as shown by the recorded plat in Volume 53 of Maps, Page 30 of Cuyahoga County Records, and being 100 feet front on a private drive (20 feet wide), and extending back of equal width 392.56 feet, measured from the Northerly line of said private drive, as appears by said plat. (Parcel No. 795-49-005)

### PARCEL 2:

Situated in the Village of Oakwood, County of Cuyahoga and State of Ohio, and known as the Easterly one-half of Sublot No. 6 in J.F. Shaffer' s One Acre Farms Subdivision of part of Original Bedford Township Lots Nos. 76 and 87, as shown by the recorded plat in Volume 53 of Maps, Page 30 of Cuyahoga County Records, and being 50 feet front on a private drive, 20 feet wide, and extending back of equal width 392.56 feet, measured from the Northerly line of said private drive, as appears by said plat. (Parcel No. 795-49-006)

### PARCEL 3:

Situated in the Village of Oakwood, County of Cuyahoga and State of Ohio, and known as being the Westerly 50 feet of Sublot No. 6 in the J.F. Shaffer' s One Acre Farms Subdivision of part of Original Bedford Township Lots Nos. 76 and 87, as shown by the recorded plat in Volume 53 of Maps, Page 30 of Cuyahoga County Records and being 50 feet front on a private drive, 20 feet wide, and extending back of equal width 392.56 feet, measured from the Northerly line of said drive, as appears by said plat, be the same more or less, but subject to all legal highways. (Parcel No. 795-49-007)

Parcel 795-50-011

Situated in the Village of Oakwood, County of Cuyahoga and State of Ohio and known as being Sublot No. 22 in J.F. Shaffer' s One Acre Farms Subdivision of part of Original Bedford Township Lots Nos. 76 and 87, as shown by the recorded plat in Volume 53 of Maps, Page 30 of Cuyahoga County Records, as appears by said plat, be the same more or less, but subject to all legal highways. Excepting therefrom that portion dedicated for North Lane Road in Volume 251 of Maps, Page 44 of Cuyahoga County Records

Parcel 795-50-012

Situated in the Township of Bedford, County of Cuyahoga and State of Ohio and known as being Sublot No. 23 in J.F. Shaffer' s One Acre Farms Subdivision of part of Original Bedford Township

Lot Nos. 76 and 87, as shown by the recorded plat in Volume 53 of Maps, Page 30 of Cuyahoga County Records and being 100 feet front on North Lane (60 feet wide) and extending back of equal width 392.56 feet, measured from North Lane, as appears by said plat. Excepting therefrom that parcel of land conveyed to the State of Ohio by deed dated December 26, 1962 and recorded in Volume 10659, Page 407 of Cuyahoga County Records. And excepting therefrom that portion dedicated for North Lane Road in Volume 251 of Maps, Page 44 of Cuyahoga County Records.

Parcels 795-49-010, 795-50-013, 795-50-014, 795-15-048

Parcel No. 1:

Situated in the Village at Oakwood, County of Cuyahoga and State of Ohio and known as being parts of Original Bedford Township Lots Nos. 87 and 88, bounded and described as follows:

BEGINNING at a point in the Easterly line of the 100 foot wide right-of-way of The Cleveland and Pittsburgh Railroad Company, at the Southwesterly corner of the parcel of land containing 2.455 acres, more or less, which has been conveyed by Manor Real Estate Company to said Railroad Company by Deed dated August 2, 1966, and recorded in the Office for the Recording of Deeds in and for said County of Cuyahoga in Deed Record Volume 11848 at Page 9, said beginning point being at the distance of 582.14 feet, measured South  $20^{\circ} 15' 59''$  East, along said Easterly line of right-of-way, from the Northerly line of said Original Lot No. 87, at a point therein distant 621 feet, measured South  $88^{\circ} 59' 53''$  East, along said Northerly line of Original Lot No. 87, from an iron monument at the northwesterly corner thereof within the lines of Northfield Road (60 feet wide), extending from said beginning point the following fifteen courses and distances, the first two thereof being by said parcel of land conveyed as aforesaid to said Railroad Company;

Course 1: South  $88^{\circ} 59' 53''$  East, 521.01 feet to a corner thereof;

Course 2: North  $1^{\circ} 00' 07''$  East, 50 feet to a corner thereof;

Course 3: South  $88^{\circ} 59' 53''$  East, being partly by said last mentioned parcel of land and partly by remaining land of said Manor Real Estate Company, 495 feet, the following five courses and distances being by remaining land of said Manor Real Estate Company;

Course 4; South  $1^{\circ} 00' 07''$  West, 210 feet;

Course 5: South  $88^{\circ} 59' 53''$  East 520 feet;

Course 6: South  $66^{\circ} 00' 18''$  East, 158.86 feet;

Course 7: North  $89^{\circ} 59' 21''$  East, 115 feet to a point in the Easterly line of said Original Bedford Township Lot No. 87, distant 762.56 feet, measured South  $0^{\circ} 00' 39''$  East, along said Easterly line of Original Lot No. 87, from the Northeasterly corner thereof;

Course 8: North 0° 00' 39" West, along said Easterly line of Original Lot No. 87, the distance of 10.04 feet to the Northwestern corner of the parcel of land which has been acquired by said Manor Real Estate Company from the State of Ohio by Deed dated December 16, 1966, and recorded in the office for the Recording of Deeds, as aforesaid, in Deed Record Volume 11887 at Page 887 and designated as Parcel No. 52-46-EL therein;

Course 9: North 76° 11' 29" East, along the Northerly line of said last mentioned parcel of land, 67.26 feet to the Westerly right-of-way line of State Route Cuy-16-16.11;

Course 10: South 12° 20' 18" East, along said Westerly right-of-way line, 391.83 feet to the Southerly line of the parcel of land conveyed by Kenneth M. Davis et al., to the State of Ohio by Deed recorded in the Office for the Recording of Deeds as aforesaid in Deed Record Volume 10660 at Page 505, Parcel No. 1;

Course 11: North 88° 01' 57" West, along said last mentioned Southerly line, which line is also the Southerly line of a certain right-of-way of the Cleveland Electric illuminating Company, as recorded in the Office for the Recording of Deeds, as aforesaid, in Volume 3354 at Page 86, the distance of 149.06 feet to said Easterly line of Original Bedford Township Lot No. 87;

Course 12: North 0° 00' 39" West, along said line of Original Lot No. 87, the distance of 1.14 feet to the Southeasterly corner of an easement granted to said Illuminating Company and recorded in the Office for the Recording of Deeds as aforesaid in Volume 3354 at Page 329; the following two courses and distances being along Southerly lines of said last mentioned easement of Illuminating Company;

Course 13: South 87° 00' 13" West, 1417.45 feet to an angle point;

Course 14: South 63° 16' 33" West, 120.78 feet to said Easterly line of the 100 feet wide right-of-way of said Railroad Company; and

Course 15: North 20° 15' 59" West, along said Easterly line of right-of-way, 778.35 feet to the place of beginning, more or less, according to a plan of survey made by Bauer Surveys Company, dated December 20, 1966, be the same more or less, but subject to all legal highways.

Excepting therefrom the above described property that part which was conveyed to The Cleveland Electric Illuminating Company, an Ohio corporation, by deed dated April 9, 1982 and recorded in Volume 15639, Page 57 of Cuyahoga County Records and described as follows:

Situated in the Village at Oakwood, County of Cuyahoga and State of Ohio and known as being part of Original Bedford Township Lots No. 87 being further bounded and described:

Beginning at the northwesterly corner of land conveyed to The Continental Group, Inc. by deed dated September 9, 1980 and recorded in Volume 15411, Page 893 of the Cuyahoga County Records; thence southeasterly along the southwesterly line of land so conveyed a distance of 778.35 feet, to the southwesterly corner thereof; thence northeasterly along the southeasterly line of land so conveyed to The Continental Group, Inc. as aforesaid about 80 feet, to a point therein,

said point being distant 75 feet, northeasterly by rectangular measurement from the southwesterly line of land conveyed to The Continental Group, Inc. as aforesaid; thence Northwesterly parallel with and distant 75 feet, northeasterly measured at right angles to said southwesterly line of land so conveyed to The Continental Group, Inc., to the northerly line thereof; thence westerly along said northerly line about 86 feet, to the place of beginning, be the same more or less, but subject to all legal highways.

Parcel No. 2:

Situated in the Village at Oakwood, County of Cuyahoga and State of Ohio and known as being part of Original Bedford Township Lots Nos. 87 and 88 and being further bounded and described according to a plan of a survey made by P. Zwick Associates Inc., Consulting Engineers & Surveyors, dated December 28, 1977 and revised February 20, 1978, as follows: VIZ; Beginning at a point marked by an iron pin on the Westerly right of way line of Frontage Road at its intersection with the Easterly line of Original Lot No. 87, said point also being South of  $0^{\circ} 00' 35''$  West, along said Easterly line of Original Lot No. 87, 392.56 feet from the Northeast corner of said Original Lot No. 87, thence continuing South  $0^{\circ} 00' 35''$  West along said Easterly line of Original Lot No. 87 and along said Westerly right of way line of said Frontage Road, 69.80 feet to a point marked by an iron pin; thence South  $12^{\circ} 46' 30''$  East along said right of way line of Frontage Road, 224.00 feet to a point marked by an iron pin thence South  $78^{\circ} 18' 42''$  West along said right of way of Frontage Road, 50.62 feet to a point marked by an iron pin on the said Easterly line of Original Lot No. 87, thence South  $0^{\circ} 00' 35''$  West, along said Easterly line of Original Lot 87, 71.49 feet to a point marked by an iron pin on a Northerly line of land now or formerly of Metal Cleaning & Processing, Inc., the following seven courses and distances being by said land; South  $89^{\circ} 59' 17''$  West, 114.70 feet to a point; thence North  $66^{\circ} 00' 18''$  West, 158.66 feet to a point; thence North  $88^{\circ} 59' 53''$  West, 520.00 feet to a point; thence North  $1^{\circ} 00' 07''$  East, 210.00 feet to a point, thence North  $88^{\circ} 59' 53''$  West, 495.01 feet to a point; thence South  $1^{\circ} 00' 07''$  West, 50.00 feet to a point; thence North  $88^{\circ} 59' 53''$  West, 435.16 feet to a point on the Easterly line of land of Cleveland Electric Illuminating Company; thence North  $20^{\circ} 15' 55''$  West along said Easterly line of land of said Cleveland Electric Illuminating Company, 160.96 feet to a point; thence South  $88^{\circ} 59' 53''$  East, 1762.87 feet to the principal place of beginning, more or less, be the same more or less, but subject to all legal highways.

Together with the existing railroad track and appurtenances thereto, located on the above described premises and together with the permanent right and easement, to install, construct, operate, maintain, repair, and renew, a railroad sidetrack from the Consolidated Rail Corporation Mainline through land of Cleveland Electric Illuminating Company into the parcel of land hereinbefore described at a height no greater than mainline track elevation of Consolidated Rail Corporation, be the same more or less, but subject to all legal highways. Together with the aforesaid appurtenant rights as further delineated in Easements, Reservations and Rights as shown in recorded in Volume 14818, Page 29 of Cuyahoga County Records, Easements, Rights and Recitals in Quit Claim Deed recorded in Volume 85-4503, Page 52 of Cuyahoga County Records, and Easements, Rights and Recitals in Quit Claim Deed recorded as Cuyahoga Recorder's File No. 201112230424.

**EXHIBIT B**

[CRA Application to be attached]

# Village of Oakwood

## Community Reinvestment Area (CRA) Application & Tax Increment Financing (TIF) Application

1. (a) Please provide name of property owner(s), legal business name, main office address and other contact information, of the property owner(s):

Oakwood Center, LLC

Property Owner

McBee Supply Corp.

Property Owner's Operating Tenant

Oakwood Center, LLC

Property Business Name

5300 Lakeside Avenue, Cleveland, OH 44114. Federal Tax ID# 85-3920457

Property Owner Mailing Address & Federal Tax ID#

Brad Buescher

Contact Person

216-535-0274

Daytime Phone #

bbuescher@interstate-mcbee.com

Email & Website Address

(b) **Business Organization:**

Corporation, Partnership, Sales Proprietorship, LLC, Joint Venture, Franchise, Start-Up or Other (specify) Oakwood Center, LLC is a real estate company that will acquire the land and build the new building, possibly renovate the existing building, and administer landlord activities.

- (c) List primary 6-digit North American Industry Classification System (NAICS) # 531120

2. **Project Scope and Long Term Objective:**

Oakwood Center, LLC and its diesel and natural gas affiliates seek to establish a new, modern corporate campus capable of handling current and future growth needs. Ownership's intent is to provide an inviting environment to retain and attract talent, inclusive of beautiful green spaces with water features. The immediate commitment includes executive and administrative offices along with state-of-the-art distribution and light manufacturing operations. The initial 200,000 square foot facility could expand an additional 100,000 square feet depending on future needs. The Oakwood site would also allow for the future consolidation of two additional manufacturing plants, consuming 90,000 square feet, located elsewhere in Cleveland with the long-term objective of housing all Ohio operations on one Oakwood campus. \$20 million is the initial project investment based on current diligence information.

3. **Nature of Business Activity @ proposed Property Site in Oakwood:**

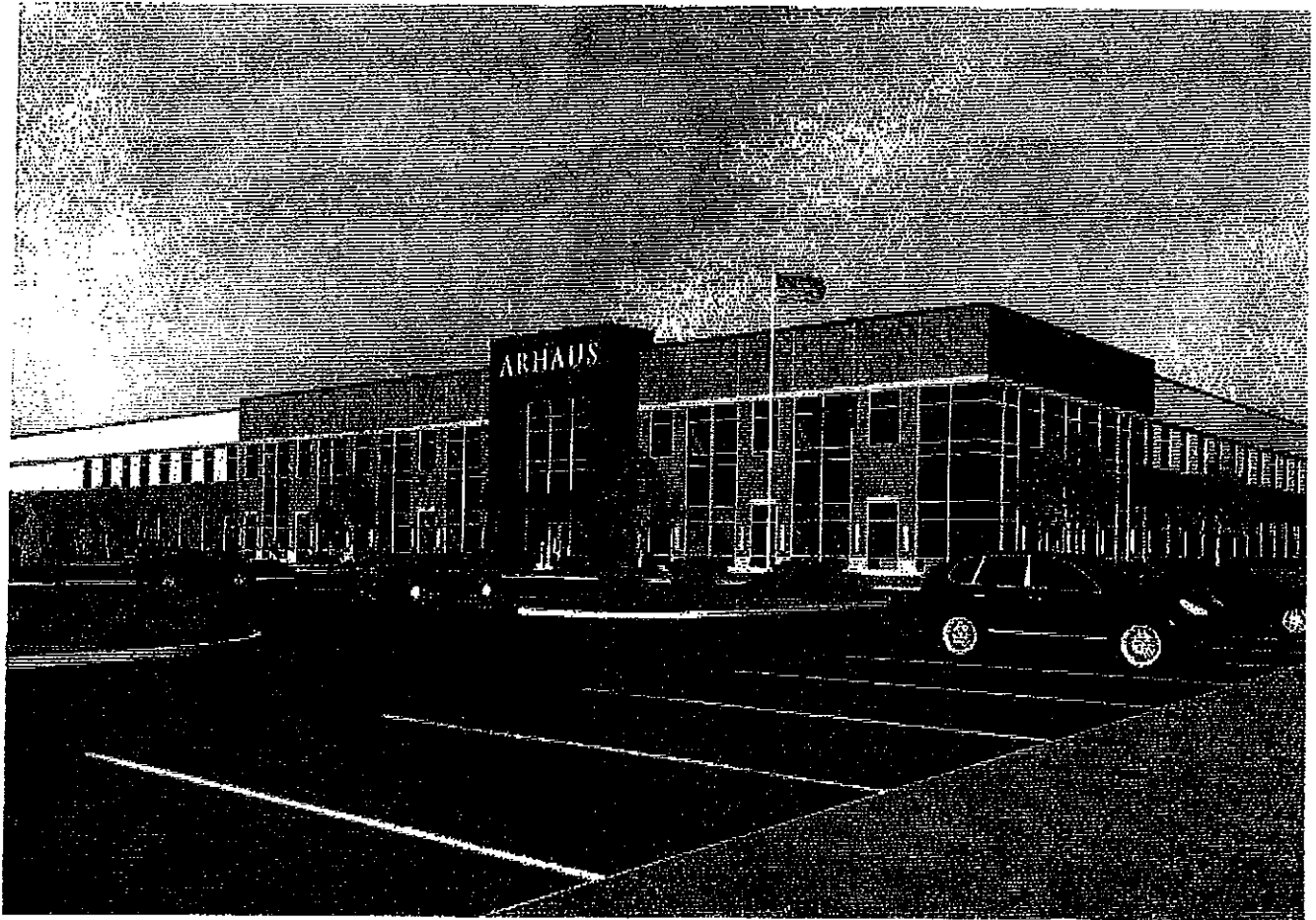
Office, Research & Development, Light Manufacturing, Warehouse/Distribution, Wholesale/Retail, Service or Other (specify) **Please estimate Percentage of Total Business.**

After the 200,000 square foot facility is complete, two affiliate companies (lessees) of Oakwood Center, LLC will occupy the new facility: Interstate-McBee, LLC and McBee Supply Corporation. Interstate-McBee, LLC is a sales company comprised of sales and service personnel to promote the products and services of diesel and natural gas entities falling under the Interstate-McBee brand name. McBee Supply Corp. is a wholesale distribution business with value add. The product is internal engine components for heavy-duty natural gas and diesel applications. Value add activities include kitting, assembly, gasket fabrication, engineering, quality assurance, service and support, and back office administrative functions along with executive headquarters. Approximate space and personnel breakdown by activity:

- 20,000 square feet = Executive and administrative offices; 32 full time employees (FTEs)
- 30,000 square feet = light manufacturing (gasket fabrication and silicon beading); 12 FTEs
- 40,000 square feet = kitting, assembly and packaging; 46 FTEs
- 110,000 square feet = receiving, pick and pack, shipping and inventory storage; 57 FTEs

4. **Description of Proposed Facility**

- (a) **Site Address:** 7400 Oak Leaf Rd., Oakwood Village, OH 44146
- (b) **Permanent Parcel #(s)** 795-49-010; 795-50-013 & 14; 795-15-048; 795-50-011 & 12; 795-49-005 & 6 & 7
- (c) **Cost of Land:** \$2,354,600 (Current value of land per Cuyahoga County Fiscal Office)
- (d) **Project Timeline:** Will Begin 2021 Be Completed 2022-23
- (e) **Building Description:** 200,000 square foot facility comprised of modern corporate offices and high-quality concrete panel state-of-the-art warehouse. Landscape site in manner that is attractive from street/271 views.
- (f) **Representative design intent picture<sup>1</sup>:**



5. **Project Description & 5-Year Business Plan**

Please include existing as well as new products or services, which will result from this Project:

The current project is to provide a state-of-the-art corporate campus for our guaranteed lessees. The lessees need more space to support growth and productivity. Lessees and affiliates' headquarters have resided in Cleveland since 1947. Should this project move forward, then Oakwood Village would become the affiliates' headquarters for decades to come.

6. **Estimate the amount to be invested by the Applicant to establish, renovate, expand or occupy the proposed Project Site:**

- (a) **Acquisition of Existing Building(s)** \$875,000
- (b) **Renovation/Expansion to Existing Building(s)** \$900,000, if we add offices onto existing building
- (c) **Construction of New Building(s)** \$13,000,000<sup>2</sup>

<sup>1</sup> All rights not limited to trademark, copyrights and otherwise in regards to the attached photo owned by ARHAUS Furniture. ARHAUS is a local company who recently constructed a beautiful headquarters that Oakwood Center, LLC ownership finds inspiring.



Does the Property Owner/Applicant owe:

- (a) Any delinquent taxes to the Federal Govt. State of Ohio or a political subdivision?  
No
- (b) Any moneys to the Federal Government, State or a state agency for the administration or enforcement of any environmental laws? No
- (c) 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?  
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.

9. **Legal Proceedings:**

- (a) Are there any current or pending lawsuits involving any principals of or the Applicant?  
No
- (b) If yes, please provide details and attach any supporting documents relating to the lawsuits.

----REQUIREMENTS & CERTIFICATIONS----

- (a) Submission of this application expressly authorizes the Village of Oakwood to contact the Ohio Environmental Protection Agency to confirm statements contained within this application including Item #8, and to review applicable confidential records. As part of this application, the Applicant may also be required to directly request from the Ohio Department of Taxation or complete a waiver form allowing the Department of Taxation, to release specific tax records to the Village of Oakwood for consideration of this request.
- (b) 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) & 2921.13(F)(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 \$1,000.00 and/or a term of imprisonment of not more than six months.
- (c) The Applicant agrees to supply additional information upon request.

Oakwood Center, LLC  
Name & Title of Property Owner (Typed or printed)

[Signature] 11/23/2020  
Signature & Date  
Treasurer, Oakwood Center, LLC

Submit complete application to:

Gary V. Gottschalk  
Mayor  
Village of Oakwood

Phone: (216) 346-7073  
[dhammett@oakwoodvillageoh.com](mailto:dhammett@oakwoodvillageoh.com)

(d) Machinery & Equipment	<u>See footnote<sup>3</sup></u>
(e) Furniture & Fixtures	<u>See footnote<sup>4</sup></u>
(f) Inventory	<u>See footnote<sup>5</sup></u>
<b><u>Total New Project Investment</u></b>	<b><u>\$14,775,000 not including lessee's investments as indicated in footnotes</u></b>

6. **Employment Opportunities @ proposed Project Site in Oakwood:**

(a) See footnote<sup>6</sup> Current # Employees

(b) See footnote<sup>7</sup> Current Annual Payroll

(c) **Relocation and/or Consolidation of Operations**

Will the project involve the relocation of employment positions or assets from one Ohio location to the proposed Oakwood Project Site? See footnote<sup>8</sup>

(d) If yes, please name the site affected by the relocation to Oakwood & the impact of the relocation on that site detailing the number of employees and/or assets to be relocated: See footnote<sup>9</sup>

(e) See footnote<sup>10</sup> Estimate # **New Employees** the Applicant will cause to be created @ proposed

Oakwood

Project Site. Please list total employment level by full & part-time and permanent & temporary:

(f) Estimate Annual Payroll for Year 1

(g) Estimate Annual Payroll for Year 5

7. (a) **The Applicant requests the following tax incentives:**

CRA abatement of 75% for 10 Years covering real property improvements as described above.

We are requesting tax incentives so Oakwood Village can be competitive with alternate options in Florida and Texas. 0.41 Tax Increment Financing (TIF). The Bedford City School District (BCSD) will receive 40% of the real property taxes that would have been distributed to it by the County Treasurer for the first 10 years but for the TIF exemption. For years 11-15, the BCSD will receive 10% of the real property taxes that would have been distributed to it but for the TIF exemption. For the second 15 years, the BCSD will receive 100% of the amount it would have received but for the TIF exemption.

(b) Reasons requesting tax incentives (please be quantitatively specific):

To be competitive with alternative options in Florida and Texas.

8. **Delinquencies**

<sup>2</sup> The new building will provide the flexibility for up to 100,000 sf of expansion, which holds the potential for another \$6,500,000 of property value. Moreover, a potential manufacturing plant with special requirements would hold the potential for another \$8,000,000 of property value.

<sup>3</sup> Machinery and equipment for lessee - \$1,800,000

<sup>4</sup> Furniture and fixtures for lessee - \$2,000,000

<sup>5</sup> New inventory for lessee - \$1,500,000

<sup>6</sup> 147 current, full time employees would move to the new facility, when facility is move-in ready. These are guaranteed lessees' employees.

<sup>7</sup> \$6,000,000 is the current payroll of lessees' 147 employees.

<sup>8</sup> Lessees would relocate all personal, machinery, inventory, assets and operations from their shared 5300 Lakeside Avenue, Cleveland Ohio 44114 location.

<sup>9</sup> Affiliates/lessees will vacate a leased building located at 5300 Lakeside Avenue, Cleveland, Ohio 44114. The 5300 Lakeside Avenue building will re-lease the vacated space to a new tenant. All affiliates' personnel, inventory and assets would relocate to Oakwood Village the exception of two manufacturing plants in Cleveland. Two diesel fuel systems manufacturing plants will remain in the Cleveland Lakeside area employing approximately 110 full time employees.

<sup>10</sup> Guaranteed lessees' full time employees payroll year 1 = \$6,000,000; estimated year 5 = \$7,000,000+. Guaranteed lessees estimate at least 30 new full time jobs over the five-year timeframe. Affiliates prefer full time employees over temporary employees as even the lower skilled positions require training and experience to become productive. By opening up the labor pool to Akron and other counties more convenient to Oakwood Village, affiliates hope to operate with little or no temporary employees.

24800 Broadway Avenue  
Oakwood Village, Ohio 44146

A copy of this proposal will be forwarded by the Village of Oakwood to the Board of Education of the Bedford City School District along with notice of the meeting date on which Oakwood Village will review the proposal. Notice must be given a minimum of fourteen (14) days prior to the scheduled meeting to permit the Board of Education to appear and/or comment before the Oakwood Village Council considering the request.

A copy of the proposal will be attached to the final Community Reinvestment Area Agreement as Exhibit A and will be forwarded to the Ohio Department of Taxation and the Ohio Development Services Agency within fifteen (15) days of final approval.