

CITY OF WILLOUGHBY HILLS

INCENTIVE GRANT AGREEMENT

This AGREEMENT, made and entered into this 26th day of March, 2018, by and between the City of Willoughby Hills, Ohio, a municipal corporation organized and existing pursuant to the Ohio Constitution and the Ohio Revised Code (hereinafter referred to as “City” of Willoughby Hills), 35405 Chardon Road, Willoughby Hills, OH 44094, and Hospice of Western Reserve, 17876 St. Clair Avenue, Cleveland, OH 44110.

Whereas, certain economic and business conditions have necessitated that Hospice of Western Reserve consider other facility accommodations within and outside the City;

Whereas, Hospice of Western Reserve would like to locate an office in the City of Willoughby Hills; and

Whereas, Hospice of Western Reserve has entered into a ten-year Lease Agreement for the property located at 34900 Chardon Road, Willoughby Hills, Ohio 44094; and

Whereas, Hospice of Western Reserve is qualified by financial responsibility and business experience to create and preserve employment opportunities and to maintain and improve the economic climate of the City of Willoughby Hills; and

Whereas, it is necessary for the City to provide Hospice of Western Reserve with a financial incentive to move into the City; and

Whereas, the Council of the City of Willoughby Hills has authorized the Mayor to enter into this Agreement with Hospice of Western Reserve via Ordinance No. 2018-18 Amended, passed on the 22th day of March, 2018, and approved by the Mayor on the 26th day of March, 2018.

NOW, THEREFORE, in consideration of the mutual covenants herein contained, the City

and Hospice of the Western Reserve agree as follows:

1. The AGREEMENT shall commence with the effective date of the lease and shall continue for ten (10) years.
2. Hospice of Western Reserve shall pay, as is required by law, income tax, presently in the amount of two percent (2%) of actual total payroll.
3. The City shall provide an incentive rebate to Hospice of the Western Reserve in an amount in the form of non-tax revenue equal to thirty percent (30%) of income tax paid by Hospice of Western Reserve each calendar year or proportion thereof, for a period of ten (10) years. The City's obligation to pay this rebate will be adjusted for any increase or decrease in annual payroll, or proportionate partial year equivalent thereof, if it decreases below \$4,000,000 per annum.

The following chart details the change in the rebate based upon the taxable income to the City:

<u>Willoughby Hills Taxable Income</u>	<u>Tax Rebate to Hospice of Western Reserve</u>
Equal or greater than \$4,000,000	.30
\$3,750,000 - \$3,999,000	.25
\$3,500,000 - \$3,749,000	.20
\$2,000,000 - \$3,499,000	.15
Less than \$2,000,000	Expires

4. On or before February 28th of the following year, for each applicable tax year of the term of the Agreement, Hospice of Western Reserve agrees to provide to the City, documentation concerning the number of employees, the yearly gross payroll and the yearly gross payroll withholding taxes paid. This may be satisfied by providing the Finance Director with a copy of the payroll reconciliation filed with the Regional Income Tax Agency (RITA).
5. The City shall pay the rebate referred to in Paragraph 3 above annually, on or before March 15th of the following calendar year or proportion thereof.
6. If Hospice of Western Reserve fails to comply with the terms of this AGREEMENT, the City will not be required to pay the rebate to Hospice of Western Reserve.
7. This AGREEMENT is binding upon Hospice of Western Reserve and its successors or assignees.
8. This AGREEMENT is non-transferable or assignable without the express legislative approval of the City.

9. This AGREEMENT may be executed in one or more counter parts, each of which shall be deemed an original but all of which together constitute one and the same instrument.

IN WITNESS WHEREOF, the parties caused this instrument to be executed in several counterparts on this 26th day of March, 2018.

The City of Willoughby Hills

Hospice of Western Reserve

BY: Robert M. Weger
Robert M. Weger, Mayor

BY: _____

This Document Approved as to Form:

Acting Law Director