

Community Reinvestment Act Application

Date Received (office use only): **08-18-2014**

Please type-(Shaded areas only)

1. Proposed Agreement for Community Reinvestment Area tax incentives between the City of Willoughby Hills, Ohio and (property owner):

Company legal name: Nivati Enterorise I I C.

7825 Mentor Ave, Mentor, Oh. 44060
Property owner address

Bobby Patel

Contact person

2801 Bishop Road, Willoughby Hills, Oh. 44092

440-255-4140

440-339-4949

Project site address

Business phone

Cell phone

BHAV7563@gmail.com

31-A-008-D-00-026-0

Email address

Parcel number

2. Describe the nature of the proposed commercial activity to be conducted at this site:

We will have a Dunkin Donuts with a drive-thru on this site that will create approximately 30 jobs. The building will include both to go drive thru service as well as inside eating.

3. Is this project/business

(N) new business

(C) consolidation or (R) relocation

5 Number of full time positions anticipated

12 Number of part time positions anticipated

(C) corporation, (P) partnership, (R) proprietorship, (O) other

4. Names of principal owner(s) (25% or more) or officers of business

Bhavesh Patel
Owner/Officer

Owner/Officer

Owner/Officer

Owner/Officer



City of Willoughby Hills

Community Reinvestment Act Application

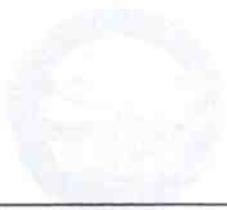
10. Business' reason for requesting tax incentives (please be as specific and quantitative as possible):

The new Dunkin' Donuts is to be located on a site that has potential for growth but to date, has not seen any recent significant investment. The construction of the facility will cost \$1.3M and will be one of the first new investments on this section of Bishop Road in recent years. As a quick serve restaurant, Dunkin' Donuts relies upon a steady flow of customers to meet its financial goal and to first break even, and then secure a profit. While the initial opening will generate demand, the needed daily repeat clients will build over time. This time frame varies, but generally this type of facilities sees a very gradual growth in income each month as opposed to a spike in growth followed by a sustained volume of customers. The nature of the slow gradual growth generally takes longer for the payback of the initial investment to be realized.

We believe the community will benefit by having Dunkin' Donuts invest in the site with it potentially becoming a catalyst for other construction in the area. The construction of a new facility by a nationally recognized chain will provide the future investors with confidence in this section of Bishop Road and will help Dunkin' Donuts build a higher level of volume due to additional commercial activity. At the same time, the tax incentives will assist Dunkin' Donuts in reducing the initial impact of both the physical components of the structure as well as the funding to support the human resources required.

Training and start-up costs also impact the cash flow of facilities such as these and these requirements place a financial burden on the business developer.

The project will provide approximately 30 construction jobs during the project with a large portion of the construction materials acquired within the local area. The construction period will last approximately 60 days which will expose construction personnel to local retail business.





City of Willoughby Hills

Community Reinvestment Act Application

Submission of this application expressly authorizes the City of Willoughby Hills to contact the Ohio Environmental Protection Agency to confirm statements contained within this application, including item #6 and to review applicable confidential records. As part of this application, the property owner 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 City of Willoughby Hills. The Applicant agrees to supply additional information upon request.

The Applicant affirmatively covenants that the information contained in and submitted with this application is complete and correct and is aware of the ROC Sections 9.66(C)(1) and 2921.13(D)(1) penalties for falsification which could result in the forfeiture of all current and future economic development assistance benefits as well as fine of not more than \$1,000 and/or a term of imprisonment of not more than six (6) months.

Bhavesh Patel

Name of property owner

8/18/14

Date

Signature

Bhavesh Patel

Print name and title

A copy of this proposal will be forwarded by the City of Willoughby Hills to the Willoughby/Eastlake Exempted Board of Education along with a notice of the meeting date at which the City will review the proposal. Notice will be given a minimum of fourteen (14) days prior to the City Council meeting to permit the Board of Education to appear and/or comment before City Council considering the request.

Please note that copies of this proposal must be included in the finalized Community Reinvestment Area Agreement and be forwarded to the Ohio Department of Taxation and the Ohio Department of Development within fifteen (15) days of final approval.





City of Willoughby Hills

Community Reinvestment Act Contract Agreement Niyati Enterprise LLC and The City of Willoughby Hills, Ohio

This agreement made and entered into by and between the City of Willoughby Hills, Ohio, a municipal corporation, with its main offices located at 35405 Chardon Road, Willoughby Hills, Ohio, 44094 (hereinafter referred to as "Willoughby Hills" and Niyati Enterprise LLC, an Ohio corporation, located at (insert corporate HQ address) (hereinafter referred to as "property owner"), WITNESSETH;

NOTE: All businesses and/or individuals required to make an investment, to create or retain jobs, or to receive a tax benefit as part of this project must be identified and be a party to this agreement.

WHEREAS, the City of Willoughby Hills has encouraged the development of real property and the acquisition of personal property located in the area designated as a Community Reinvestment Area; and

WHEREAS, Niyati Enterprise LLC is desirous of constructing a new, one story, 2032 square foot facility to be operated as a Dunkin' Donuts restaurant, on Bishop Road on lot number 31-A-008-D-00-026-0 (hereinafter referred to as the "PROJECT") within the boundaries of the aforementioned Community Reinvestment Area, provided that the appropriate development incentives are available to support the economic viability of said PROJECT; and

WHEREAS, the Council of Willoughby Hills, Ohio by Ordinance No. 2005-12 adopted on February 10, 2005 designated the area as an "Community Reinvestment Area" pursuant Chapter 3735 of the Ohio Revised Code; and

WHEREAS, the Council of Willoughby Hills, Ohio by the adoption of Ordinance No. 2006-12 on March 9, 2006 extended the area designated as an "Community Reinvestment Area", pursuant to Chapter 3735 of the Ohio Revised Code; and

WHEREAS, effective February 22, 2005 the Director of Development of the State of Ohio determined that the aforementioned area designated in said Ordinance No. 2005-12 contained the characteristics set forth in Section 3735.66 of the Ohio Revised Code and confirmed said area as a Community Reinvestment Area under said Chapter 3735; and

WHEREAS, property owner, having the appropriate authority for the stated type of project, is desirous of providing Niyati Enterprise LLC with incentives available for the development of the PROJECT in said Community Reinvestment Area under Chapter 3735 of the Ohio Revised Code; and

WHEREAS, Niyati Enterprise LLC submitted a proposed agreement application (herein attached as Exhibit A) to the City of Willoughby Hills, said application (hereinafter referred to as "APPLICATION"); and

WHEREAS, Niyati Enterprise LLC will pay the required one time state application fee of \$750.00 made payable to the Ohio Development Services Agency with the application to be forwarded to said department with a copy of the final agreement; and

WHEREAS, the City of Willoughby Hills has investigated the application of Niyati Enterprise LLC and has recommended the same to the Council of Willoughby Hills on the basis that Niyati Enterprise LLC is qualified by financial responsibility and business experience to create and preserve employment opportunities in said Community Reinvestment Area and improve the economic climate of Willoughby Eastlake School District; and

WHEREAS, the project site as proposed by Niyati Enterprise LLC is located in the Willoughby-Eastlake School District and the Board of Education of the Willoughby-Eastlake School District has been notified in accordance with Section 5709.83 and been given a copy of the APPLICATION; and

WHEREAS, pursuant to Section 3735.67(A) 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. Property Owner shall construct a new two thousand and thirty two square foot restaurant at 2801 Bishop Road, Willoughby Hills, Ohio. Said facility shall be constructed on part of PPN 31-A-008-D-00-026-0 as the same is known and designated on the Auditor's revised list of lots on Bishop Road in the city of Willoughby Hills, Ohio.

The PROJECT will involve a total investment by Property Owner of \$1,300,000 (one million three hundred thousand) dollars, plus or minus 10%, at the Project Site. Included in this investment are \$620,000 (six hundred and twenty thousand) dollars for construction of the facility, \$345,000 (three hundred and forty five thousand) dollars to purchase first used machinery and equipment and \$220,000 (two hundred and twent thousand) dollars to purchase the land.

The PROJECT will begin on or about October 1, 2014 and all acquisition, construction and installation will be completed by September 30, 2015.

2. Property owner shall create within a time period not exceeding 24 months after the completion of construction of the aforesaid facility, five (5) new full-time permanent job opportunities and approximately twelve (12) part-time job opportunities, not including construction workers.

The job creation period begins October 1, 2014 and all jobs will be in place by September 30, 2016.

This increase in the number of employees will result in approximately (\$250,000) (two hundred and fifty thousand) dollars of additional annual payroll for Property Owner or others.

3. "Niyati Enterprise LLC shall provide to the proper Tax Incentive Review Council any information reasonably required by the council to evaluate the property owner's compliance with the agreement, including returns filed pursuant to section 5711.02 of the Ohio Revised Code if requested by the council."

a. Niyati Enterprise, LLC shall maintain a membership in the Willoughby Western Lake County Chamber of Commerce.

4. Willoughby Hills hereby grants the City of Willoughby Hills, a tax exemption for real property improvements made to the PROJECT site pursuant to Section 3735.67 of the Ohio Revised Code and shall be in the following amounts:

a. Ten (10) years at 50% tax abatement which commences the first year for which the real property would first be taxable were that property not exempted from taxation.

Niyati Enterprise LLC must file the appropriate tax forms with the County Auditor to effect and maintain the exemptions covered in the agreement.

5. Niyati Enterprise LLC shall pay an annual fee equal to the greater of one percent of the dollar value of incentives offered under the agreement or five hundred dollars: provided, however, that if the value of the incentives exceeds two hundred fifty thousand dollars, the fee shall not exceed two thousand five hundred dollars.

The fee shall be made payable to the City of Willoughby Hills once per year for each year the agreement is effective on the days and in the following forum cash or certified check. The fee is to be paid to the city finance director and made out to The City of Willoughby Hills. This fee shall be deposited in a special fund created for such purpose and shall be used exclusively for the purpose of complying with section 3735.671(D) of the revised code and by the tax incentive review council created under section 3735.671(D) of the revised code exclusively for the purposes of performing the duties prescribed under that section.

6. "Niyati Enterprise LLC shall pay such real and tangible personal property taxes as are not exempted under this agreement and are charged against such property and shall file all tax reports and returns as required by law. Property Owner 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."

7. "The City of Willoughby Hills shall perform such acts as are reasonably necessary or appropriate to effect, claim, reserve, and maintain exemptions from taxation granted under this agreement including, without limitation, joining in the execution of all documentation and providing any necessary certificates required in connection with such exemptions."

8. "If for any reason the Community Reinvestment Area designation expires, the Director of the Ohio Development Services Agency revokes certification of the zone, or the City of Willoughby Hills revokes the designation of the zone, entitlements granted under this agreement shall continue for the number of years specified under this agreement, unless Property Owner materially fails to fulfill its obligations under this agreement and Willoughby Hills terminates or modifies the exemptions from taxation granted under this agreement."

9. "If Property Owner materially fails to fulfill its obligations under this agreement, or if the City of Willoughby Hills determines that the certification as to delinquent taxes required by this agreement is fraudulent, the City of Willoughby Hills may terminate or modify the exemptions from taxation granted under this agreement and may require the repayment of the amount of taxes that would have been payable had the property not been exempted from taxation under this agreement."

10. "Property Owner hereby certifies that at the time this agreement is executed, Property Owner 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 Niyati Enterprise LLC is liable under Chapter 5733., 5735., 5739., 5741., 5743., 5747., or 5753. of the Revised Code, or, if such delinquent taxes are owed, Niyati Enterprise LLC currently is paying the delinquent taxes pursuant to an undertaking enforceable by the State of Ohio or an agent or instrumentality thereof, has filed a petition in bankruptcy under 11 U.S.C.A. 101, et seq., or such a petition has been filed against Property Owner. 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."

11. Niyati Enterprise LLC affirmatively covenants that it does not owe: (1) any delinquent taxes to the State of Ohio or a political subdivision of the State; (2) any moneys to the State or a state agency for the administration or enforcement of any environmental laws of the State; and (3) any other moneys to the State, a state agency or a political subdivision of the State that are past due, whether the amounts owed are being contested in a court of law or not.

12. Niyati Enterprise LLC and the City of Willoughby Hills acknowledge that this agreement must be approved by formal action of the legislative authority of Willoughby Hills as a condition for the agreement to take effect. This agreement takes effect upon such approval."

13. "The City of Willoughby Hills has developed a policy to ensure recipients of Community Reinvestment Area tax benefits practice non-discriminating hiring in its operations. By executing this agreement, Niyati Enterprise LLC is committing to following non-discriminating hiring practices acknowledging that no individual may be denied employment solely on the basis of race, religion, sex, disability, color, national origin, or ancestry."

14. "Exemptions from taxation granted under this agreement shall be revoked if it is determined that Niyati Enterprise LLC, any successor property owner, or any related member (as those terms are defined in Section 3735.671 of the Ohio Revised Code) has violated the prohibition against entering into this agreement under Division (E) of Section 3735.671 or Section 5709.62 or 5709.63 of the Ohio Revised Code prior to the time prescribed by that division or either of those sections."

15. Niyati Enterprise LLC affirmatively covenants that it has made no false statements to the State or local political subdivisions in the process of obtaining approval of the Community Reinvestment Area incentives. If any representative of Niyati Enterprise LLC has knowingly made a false statement to the State or local political subdivision to obtain the Community Reinvestment Area incentives, Niyati Enterprise LLC shall be required to immediately return all benefits received under the Community Reinvestment Area Agreement pursuant ORC Section 9.66(C)(2) and shall be ineligible for any future economic development assistance from the State, any state agency or a political subdivision pursuant to ORC Section 9.66(C)(1). 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 ORC Section 2921.13(D)(1), which is punishable by a fine of not more than \$1,000 and/or a term of imprisonment of not more than six months.

16. "This agreement is not transferable or assignable without the express, written approval of Willoughby Hills."

IN WITNESS WHEREOF, the City of Willoughby Hills, Ohio, by Mayor Robert Weger, Mayor of the City of Willoughby Hills and pursuant to **Ordinance No. 2014-62**, has caused this instrument to be executed this (**date:** _____) day of (**month:** _____), (**yr.:** _____) And Niyati Enterprise LLC by (**authorized business official:** _____), its (**title of person:** _____) has caused this instrument to be executed on this (**date:** _____) day of (**month:** _____), 2014.

_____ Dated: _____
Robert M. Weger
Mayor, City of Willoughby Hills, Ohio

_____ Dated: _____
By: (Bhavesh Patel, authorized representative for
Niyati Enterprise LLC)
Approved as to form:

_____ Dated: _____
Thomas G. Lobe
Law Director, the City of Willoughby Hills, Ohio

Note: A copy of this agreement must be forwarded to the Ohio Development Services Agency within fifteen (15) days of finalization.