

ORDINANCE NO. 2020-38

Introduced by: Christine Crawford

AN ORDINANCE RATIFYING THE COMMUNITY REINVESTMENT AREA AGREEMENT WITH ALDRIDGE BOUTIQUE LLC (DBA MOCO BOUTIQUE); AUTHORIZING THE CITY MANAGER TO EXECUTE THE COMMUNITY REINVESTMENT AREA AGREEMENT SUBSTANTIALLY IN THE FORM ATTACHED TO THIS ORDINANCE UPON EXPIRATION OF THE 14-DAY REVIEW PERIOD PROVIDED FOR UNDER SECTION 5709.83 OF THE OHIO REVISED CODE; AND DECLARING AN EMERGENCY

WHEREAS, the Huron City Council ("Council") established a Community Reinvestment Area ("CRA") by the passage of Ordinance No. 2008-10 adopted on May 13, 2008, as repealed and readopted by Ordinance No. 2008-22 adopted July 22, 2008;

WHEREAS, the City has received a request for tax abatement within the CRA for construction of a new facility on property to be acquired by Aldridge Boutique, LLC (dba MOCO Boutique) (hereinafter "MOCO");

WHEREAS, MOCO will construct and equip a new facility on their property located in the corporate park with a total investment of approximately \$2,700,000;

WHEREAS, on December 1, 2020 the City's Tax Incentive Negotiating Committee met to consider the proposed application, and the Committee unanimously resolved to recommend approval of the proposed tax abatement for a period of fifteen (15) years at 75% for years 1-5, at 50% for years 6-10, and at 25% for years 11-15;

WHEREAS, the EHOVE Joint Vocational School District and its Board of Education have been notified in accordance with Section 5709.83 of the Ohio Revised Code (Agreement Exhibit B) and given a copy of the Application; and

WHEREAS, the Huron City School District and its Board of Education have been notified and given a copy of the Application and a draft of this agreement and have further been notified that abatement granted under this Agreement exceeds limitations imposed by Ohio Revised Code Section 3735.671(A)(2) (Agreement Exhibit C). The Huron City School District Board of Education unanimously approved the Agreement on December 15, 2020, a copy of which approval is attached as Agreement Exhibit D; and

WHEREAS, it is deemed necessary in order to provide for the immediate preservation of the public health, safety and general welfare of the citizens of the City and to provide for the economic development of the City by adopting this Ordinance as an emergency measure to assure the beginning of the construction of the aforesaid facility and the timely completion thereof;

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF HURON, OHIO:

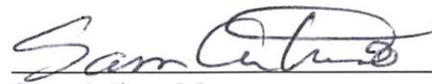
SECTION 1. That this Council hereby approves the CRA Agreement substantially pursuant to the terms and conditions contained in each, copies of which are on file in the office of the Clerk of Council and attached to this Ordinance as Exhibit "A".

SECTION 2. That upon expiration of the 14-day review period relating to the notifications sent to EHOVE Joint Vocational School District and its Board of Education and the Huron City Schools and its Board of Education, the City Manager be, and he hereby is, authorized and directed to execute the CRA Agreement with MOCO, which agreement shall be in substantially the form of Exhibit "A".

SECTION 3. That, if any section, phrase, sentence or portion of this Ordinance is, for any reason, held invalid or unconstitutional by a Court of competent jurisdiction, such portion shall be deemed a separate, distinct and independent provision, and such holding shall not affect the validity of the remaining portions hereof.

SECTION 4. That this Council finds and determines that all formal actions of this Council concerning and relating to the passage of this Ordinance were taken in an open meeting of this Council and that all deliberations of this Council and of any of its committees that resulted in those formal actions were in meetings open to the public in compliance with the law, including ORC Sec. 121.22.

SECTION 5. That this Ordinance is hereby declared to be an emergency measure necessary for the immediate preservation of the health, safety and general welfare of the citizens of Huron and for the further reason that it is necessary to enhance the economic development of the City by allowing work on the project described herein to commence without delay; **wherefore**, this Ordinance shall be in full force and effect from and immediately after its adoption.


Sam Artino, Mayor

ATTEST: 
Clerk of Council

ADOPTED: 22 DEC 2020



COMMUNITY REINVESTMENT AREA AGREEMENT

This Agreement made and entered into by and between the City of Huron, Ohio, an Ohio municipal corporation with a Council-Manager form of government, with its main offices located at 417 Main Street, Huron, Ohio 44839 (hereinafter "City"), and Aldridge Boutique LLC dba MOCO Boutique, (hereinafter "Company"), an Ohio limited liability company presently located at 422 Cleveland Road East, Huron Ohio 44839, WITNESSETH;

WHEREAS, the City 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, the Company desires to relocate its existing facility located at 422 Cleveland Road East, Huron, Ohio 44839 to approximately 6 acres situated at 1708 Sawmill Parkway, Huron, Ohio 44839 (hereinafter "Project") and is further described as being Erie County, Ohio permanent parcel number 42-02023.000 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 City Council of the City of Huron, Ohio by Ordinance No. 2008-10 adopted June 10, 2008 designated the area as a "Community Reinvestment Area" pursuant to Chapter 3735 of the Ohio Revised Code; and

WHEREAS, effective August 18, 2008, the Director of Development of the State of Ohio determined that the aforementioned area designated in said Ordinance No. 2008-10 contains the characteristics set forth in Section 3735.66 of the Ohio Revised Code and certified said area as Community Reinvestment Area Number 043-37016-01 under said Chapter 3735; and

WHEREAS, the City of Huron having the appropriate authority for the stated type of project is desirous of providing the Company with incentives available for the development of the Project in said Community Reinvestment Area under Chapter 3735 of the Ohio Revised Code; and

WHEREAS, the Company has submitted a proposed agreement application (hereinafter referred to as "Application" and attached as **Exhibit "A"**) to the City of Huron; and

WHEREAS, the Company has remitted the required 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 the final agreement; and

WHEREAS, the City Manager of the City has investigated the application of the Company and has recommended the same to the Council of the City on the basis that the Company 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 the City of Huron; and

WHEREAS, on December 1, 2020, the City's Tax Incentive Negotiating Committee (the "Committee") met and unanimously voted to recommend that the Agreement be approved consistent with the terms enumerated below; and

WHEREAS, the EHOVE Joint Vocational School District and its Board of Education have been notified in accordance with Section 5709.83 of the Ohio Revised Code (**Exhibit B**) and given a copy of the Application; and

WHEREAS, the Huron City School District and its Board of Education have been notified, given a copy of the Application and informed that abatement granted under this Agreement exceeds limitations imposed by Ohio Revised Code Section 3735.67.1(2) (**Exhibit C**) and in accordance with Ohio Revised Code Section 3735.67.1(1) the Huron City School District Board of Education has approved the terms of the Agreement by formal resolution on December 15, 2020. Said resolution is incorporated herein by reference and attached as **Exhibit D**; 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:

Section 1: The Company shall construct and relocate its business from 422 Cleveland Rd. E., Huron, Ohio 44839 to the Huron Corporate Park, Parcel Number 42-02023.00, approximately 6 acres located at 1708 Sawmill Parkway, Huron, Ohio 44839. Said improvements shall be constructed and equipped on land further described as being Erie County, Ohio permanent parcel number 42-02023.000.

The Project consists of the aforementioned construction of the 40,000 square foot facility, installation of certain new furniture and fixtures as appropriate for e-commerce sales and warehousing of additional inventory. The Project will involve a total investment by the Property Owner and/or Company of \$2,727,000. Included in this investment is \$287,000 for real property purchase; \$1,500,000 for new construction; \$90,000 for improvement to existing building site; \$50,000 for furniture and fixtures; and \$800,000 in additional inventory. Additionally, the Project includes the transfer of existing inventory relocated from the Company's existing location.

No abatement shall be granted for the current appraised value of the existing land or the current real property improvements nor is any abatement granted for the value of machinery, equipment, furniture and fixtures or other items taxed as personal property whether currently owned or hereinafter acquired. At no time during the abatement period can the valuation of the real property drop below \$375,000.

The Project shall commence upon execution of this agreement and all acquisition, construction and installation will be completed by December 31, 2021 or such later date as may be approved by formal resolution of the Huron City Council and agreed to in writing by all parties as an amendment to this Agreement.

Section 2: The Company, at the date of this Agreement, has twenty-one (21) full-time employees and twelve (12) part-time employees at its existing location. The Company will transfer all twenty-one (21) full-time employees and twelve (12) part-time employees from the

existing location to the Project. The total current payroll of the Company at its existing location is \$564,000 per year.

Section 3: The Company shall provide to the proper Tax Incentive Review Council any information reasonably required by the Council to evaluate the Company's compliance with this Agreement, including returns filed pursuant to section 5711.02 of the Ohio Revised Code, employment records or any other records that may be reasonably requested by the Council or its designated representative(s).

Section 4: Subject to compliance by the Company in all material respects with its obligations under this Agreement, the City hereby grants to the Company a tax exemption for eligible real property improvements made to the Project Site to a maximum appraised value of \$1,500,000 pursuant Section 3735.67 of the Ohio Revised Code for the increased appraised valuation of property improved as a result of construction and completion of the Project as follows:

<u>Year of Tax Exemption</u>	<u>Percentage of Appraised Valuation of Real Property Improvements Exempted</u>
1	75%
2	75%
3	75%
4	75%
5	75%
6	50%
7	50%
8	50%
9	50%
10	50%
11	25%
12	25%
13	25%
14	25%
15	25%

The exemption commences the first year for which the real property would first be taxable were that property not exempted from taxation. Each appraisable improvement will receive a fifteen (15) year exemption period. Notwithstanding the foregoing, no real property tax exemption for the Project shall commence after January 1, 2022 nor extend beyond December 31, 2036.

Section 5. It is the responsibility of the Company to file, as appropriate, tax form DTE 24 or any other appropriate tax forms with the Erie County Auditor to effect and maintain the real property exemption covered in the agreement.

Section 6. The Company hereby agrees to pay an annual monitoring fee to the Erie County Regional Planning Commission in the amount of five hundred dollars (\$500).

The fee shall be invoiced by and be payable to the Erie County Regional Planning Commission, once per year for each year this agreement is effective and is payable as follows: The fee is to be paid in cash or by check to the Erie County Regional Planning Commission by April 15 following each year the Agreement is in effect or at such later date as may be approved in writing by the City of Huron. The fee is to be paid by check made payable to the Erie County Regional Planning Commission.

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 5709.85 of the Revised Code exclusively for the purposes of performing the duties prescribed under that section.

Section 7: The Company shall pay such real, commercial activities tax 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. If the Company fails to pay such taxes or file such returns, all incentives granted under this agreement are rescinded beginning with the year for which such unpaid taxes are charged or such reports or returns are required to be filed and thereafter.

Section 8: The City 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.

Section 9: 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 Huron City Council revokes the designation of the zone, entitlement granted under this agreement shall continue for the number of years specified under this agreement, unless the Company materially fails to fulfill its obligations under this Agreement.

Section 10: If the Company materially fails to fulfill their obligations 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 under this agreement.

Section 11: The Company hereby certifies that, at the time this agreement is executed, they do 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 Chapters 5733, 5735, 5739, 5741, 5743, 5747, or 5753 of the Revised Code, or, if such delinquent taxes are owed, that the Company 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 petition has been filed against the Company. For the purpose 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.

Section 12: The Company affirmatively covenants that it does not owe: (a) any delinquent taxes to the State of Ohio or a political subdivision of the State; (b) any moneys to the State or a state agency for the administration or enforcement of any environmental laws of the State; and (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.

Section 13: The Company and the City of Huron acknowledge that this agreement must be approved by formal action of Huron City Schools and the Huron City Council as a condition for the agreement to take effect. This Agreement takes effect upon such approvals by the Schools and the Huron City Council and execution by the parties hereto.

Section 14: The City of Huron has developed a policy to ensure recipients of Community Reinvestment Area tax benefits practice non-discriminating hiring in their operations. By executing this agreement, the Company is committing to follow non-discriminating hiring practices agreeing that no individual may be denied employment solely on the basis of race, religion, sex, disability, color, national origin or ancestry.

Section 15: Exemptions from taxation granted under this agreement shall be revoked if it is determined that the Company, 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 Sections 5709.62, 5709.63 or 5709.632 of the Ohio Revised Code prior to the time prescribed by that division or any of those sections.

Section 16: The Company affirmatively covenants that they have made no false statements to the State or local political subdivision in the process of obtaining approval for Community Reinvestment Area incentives. If any representative of the Company has knowingly made a false statement to the State or local political subdivision to obtain the Community Reinvestment Area incentives, the Company shall be required to immediately return all benefits received under the Community Reinvestment Area Agreement pursuant to 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 2921.13(F)(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.

Section 17: Neither the City nor Company shall be considered in default of its obligations hereunder in the event of delay in performance of such obligations due to causes beyond its control without its fault or negligence, including but not restricted to acts of God, acts of the Federal or State government, acts of the other party, fires, floods, strikes, freight embargoes or unusually severe weather; it being the purpose and intent of this provision that in the event of the occurrence of any such delay, the time for performance of the obligations by the parties hereto shall be extended for the period of the delay.

Section 18: Any notices, statements, acknowledgments, consents, approvals, certificates or requests on behalf of either party shall be made in writing and addressed as follows:

AS TO THE CITY OF HURON:

Huron City Council
Attention: City Manager
417 Main Street
Huron, Ohio 44839

With copy to:

Erie County Regional Planning
Attention: Enterprise Zone Manager
2900 Columbus Avenue
Sandusky, Ohio 44870

AS TO THE COMPANY:

Aldridge Boutique LLC dba MOCO Boutique
422 Cleveland Road East
Huron, Ohio 44839

or to such other contact or address as may be specified by such notice from time to time in writing.

Section 19: This Agreement is not transferable or assignable without the express, written approval of the Huron City Council.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, The CITY OF HURON, OHIO by Matthew Lasko, its City Manager, pursuant to Ordinance No. 2020-__, and ALDRIDGE BOUTIQUE LLC DBA MOCO BOUTIQUE by Morgan Aldridge, its sole member, have caused this instrument to be executed effective as of this ____ day of December, 2020.

THE CITY OF HURON, OHIO

Witness

By: _____
Matthew Lasko, City Manager

**ALDRIDGE BOUTIQUE LLC
DBA MOCO BOUTIQUE**

Witness

By: _____
Morgan Aldridge, Sole Member

Approved as to form:

Todd Schrader, Law Director

EXHIBIT A
CRA APPLICATION FROM COMPANY

**PROPOSED AGREEMENT for Community Reinvestment Area Tax Incentives between the
CITY OF HURON located in the County of Erie and ALDRIDGE BOUTIQUE LLC (DBA
MOCO BOUTIQUE)**

1. **a. Name of property owner, home or main office address, contact person, and telephone number (attach additional pages if multiple enterprise participants).**

Address:

422 Cleveland Road East
Huron, Ohio 44839

Telephone:

419-602-7285

b. Project site:

1708 Sawmill Parkway
Huron, Ohio 44839

Contact Person:

Corey Aldridge
coreymaldridge@gmail.com
419-602-7285

-or-

Anna Marie Murray
annamariemurray@shopmoco.com
415-298-5101

2. **a. Nature of commercial/industrial activity (manufacturing, warehousing, wholesale or retail stores, or other) to be conducted at the site.**

- E-Commerce Sales and warehousing.
- The majority of the space will be used as a warehouse for clothing, accessories and home goods sold by MOCO Boutique. All items sold will be received into this warehouse and then will in turn be shipped out from this facility to our customers when sold via our online/live platform. This facility will also house the sales and business offices for MOCO Boutique.

- b. List primary 6 digit North American Industry Classification System (NAICS) # Business may list other relevant SIC numbers.**

- NAICS#

- c. If a consolidation, what are the components of the consolidation? (must itemize the location, assets, and employment positions to be transferred:**

- Not applicable as this is the relocation of a current business in its entirety from one location to another within the same City.

- d. Form of business of enterprise (corporation, partnership, proprietorship, or other).**

- For Profit, Limited Liability Corporation

3. Name of principal owner(s) or officers of the business.

- Morgan Aldridge, Owner

4. a. State the enterprise's current employment level at the proposed project site:

- MOCO Boutiques current employee base is a total of 33 employees (21 full time and 12 part time employees) who will all relocate to the new Sawmill Parkway location

b. Will the project involve the relocation of employment positions or assets from one Ohio location to another? Indicate yes or no

- Yes it is a relocation from one location to another, however, both of the locations are within the City of Huron.

c. If yes, state the locations from which employment positions or assets will be relocated and the location to where the employment positions or assets will be located:

- All inventory and employees will relocate:

From:

422 Cleveland Road East
Huron, Ohio 44839

To:

1708 Sawmill Parkway
Huron, Ohio 44839

d. State the enterprise's current employment level in Ohio (itemized for full and part-time and permanent and temporary employees):

- 21 full time permanent employees
- 12 part time permanent employees
- 0 full-time temporary employees
- 0 part-time temporary employees

e. State the enterprise's current employment level for each facility to be affected by the relocation of employment positions or assets:

- Relocating all 33 employees located at 422 Cleveland Road East to new Sawmill Parkway location

f. What is the projected impact of the relocation, detailing the number and type of employees and/or assets to be relocated?

- Relocating all 33 MOCO Boutique employees from 422 Cleveland Road East to

the new location at Sawmill Parkway.

- All inventory and warehouse equipment will be relocated to the Sawmill Parkway location.

5. Does the Property Owner owe:

a. Any delinquent taxes to the State of Ohio or a political subdivision of the state?

Yes No

b. Any moneys to the State or a state agency for the administration or enforcement of any environmental laws of the State?

Yes 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?

Yes 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 (add additional sheet)

- Not Applicable

6. Project Description:

- MOCO Boutique plans to purchase a 6-acre parcel located at 1708 Sawmill Parkway to construct an estimated 40,000sq foot commercial building to accommodate their corporate offices and warehouse space.
- The site is currently under site control via a purchase and sale agreement.
- MOCO Boutique will relocate from their current 4 leased warehouses located in the Huron Drugmart plaza totaling approximately 11,500 sq feet to the new warehouse location at Sawmill Parkway.
- The site construction will include the following:
 - Demolition of the existing 7,500-8,000 square foot blighted building and scrapping the site of all existing cracked hardscape.
 - Expanded office space of approx. 8000 sq feet housing administration and executive Personnel: CEO, COO, HR and Sales.
 - Warehouse space, approx. 32,000 square feet to house inventory.
 - Construction of new parking lot and landscaping installation.
- This new construction will provide room for the company to grow and potentially expand its product offerings.

7. **The project will begin Winter 2020 and be completed Spring/Summer 2021 provided a tax exemption is provided.**

8.

a. Estimate the number of new employees the property owner will cause to be created at the facility that is the project site (job creation projection must be itemized by the name of the employer, full and part-time and permanent and temporary):

- Aldridge Boutique has undergone significant growth over the past 12 months. Just 12 months ago we had 8 employees and were operating out of our basement in Strongsville, OH. Since then we have moved our business to Huron, OH. Today we have 33 (21 full-time and 12 part-time) employees and have outgrown our 11,500 square feet of leased space in Huron.
- We are all operating in unprecedented times right now and given there is so much unknown in the world around us, it is very difficult to project our expected employee growth over the next 5 years. The retail industry has witnessed significant changes in how they operate, however we are confident that the exclusively online nature of our business will afford us continued growth and success into the future. While we are hesitant to project employee growth, we are committed to keeping our existing employee count.
- Being able to build and move into a larger space will afford us the ability to better utilize our existing staff and will allow them to work in smarter, more efficient ways. In essence this is minimally a retention project (with potential employee growth) as the Company cannot continue operating in its existing facility much longer as there is no ability to expand. The company desires to remain in Huron and is willing to make a more substantial investment in a new construction facility as opposed to finding an existing facility in another City that may be less expensive.

b. State the time frame of this projected hiring:

- Stable employee counts or even small growth will continue during the next 3 to 5 years. Employee counts will be adjusted based on business success and needs. At this time, we are unable to provide projection for new employees as this is purely and immediately a request geared toward retention of a growing and successful company in Huron.

c. State proposed schedule for hiring (itemize by full and part-time and permanent and temporary employees):

- See 8a – N.A.

9. a. Estimate the amount of annual payroll such new employees will add \$ (new annual payroll must be itemized by full and part-time and permanent and temporary new employees).

- Sec 8a – N.A.

b. Indicate separately the amount of existing annual payroll relating to any job retention claim resulting from the project:

- Estimated 2020 annual Payroll is \$564,000 (2019 \$375,800)
- If expansion through the construction of a new warehouse does not occur, our employee count would likely remain the same and the business would not be afforded opportunities for growth, unless relocating to another jurisdiction, given the fact that we are simply running out of space for product. Furthermore, our inability to move to a larger facility could impact opportunities for growth into additional new product categories.

10. An estimate of the amount to be invested by the enterprise to establish, expand, renovate or occupy a facility:

Acquisition of Building Site	\$287,000
New Construction	\$1,500,000
Improvements to existing site	\$90,000
Furniture and Fixtures	\$50,000
Inventory	\$800,000
Total New Project Investment	\$2,727,000

11. a. Business requests the following tax exemption incentives: 100 % for 15 years covering real as described above. Be specific as to the rate, and term.

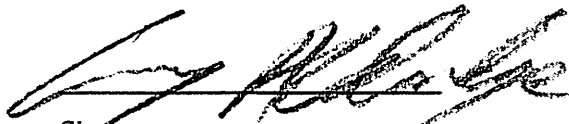
b. Business's reasons for requesting tax incentives (be quantitatively specific as possible)

- Given the online nature of MOCO Boutique and the fact that MOCO's customers span across all of Ohio and, in fact, across the United States, we could locate our warehouse/headquarters anywhere. Though the location choices are endless, many of which are more affordable, we are choosing to locate our business in Huron, Ohio. We both grew up and went to school in Huron. It is a town we love and has given so much to us and our families. Having 3 young children of our own, our hope is to not only raise them in the town we love, but to also give back to this town through locating our business here. We hope to show generations to come that you can build and grow a very successful business in a small town like Huron, Ohio. Furthermore, we look forward to continuing to employ and mentor many local individuals at MOCO Boutique.
- These tax incentives will give us the opportunity to reinvest funds into growing our business, both in it's current offerings and into new product categories

Submission of this application expressly authorizes the City of Huron to contact the Ohio Environmental Protection Agency to confirm statements contained within this application including item # 5 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 local jurisdiction considering the request.


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 ORC 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 a fine of not more than \$1,000 and/or a term of imprisonment of not more than six months.


Signature

12/16/2020
Date

CEO/COO
Typed Name and Title


Signature

11/16/2020
Date

Owner
Typed Name and Title

* A copy of this proposal must be forwarded by the local governments to the affected Board of

Education along with notice of the meeting date on which the local government 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 legislative authorities considering the request.

**** Attach to Final Community Reinvestment Area Agreement as Exhibit A**

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.

EXHIBIT "B"
SIGNED EHOVE NOTIFICATION

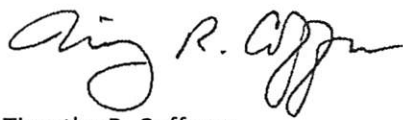
December 9, 2020

Matt Lasko
City of Huron
417 Main Street
Huron, OH 44839

Mr. Lasko,

I am writing this letter on behalf of EHOVE Career Center and would like to take this opportunity to support the abatement for Aldridge Boutique LLC, dba MOCO. EHOVE is also waiving the statutory 14-day review period. I appreciate your work on this and look forward to working with you again on other similar opportunities.

Sincerely,



Timothy R. Coffman
Treasurer



December 5, 2020

Chris McCully, Superintendent
EHOVE Career Center
316 Mason Road
Milan, Ohio 44846

Re: ALDRIDGE BOUTIQUE LLC (dba MOCO BOUTIQUE)
Notification of Company's Request for CRA Tax Abatement

Dear Mr. McCully:

The City of Huron has received a request for tax abatement from Aldridge Boutique LLC dba MOCO Boutique (the "Company") under the Community Reinvestment Area (CRA) abatement program, a copy of which is enclosed. The Company intends to relocate and construct a new facility to house its e-commerce sales and warehousing business. The proposed location includes approximately 6 acres located at 1708 Sawmill Parkway (the "Project Site"). The proposed new construction represents an estimated new project investment of \$2,727,000 (see breakdown in enclosed agreement) and will result in a facility comprised of 40,000 SF. The Company currently employs 21 full-time employees and 12 part-time employees with an annual payroll of \$564,000.

The Tax Incentive Negotiating Committee met to review this request on December 1, 2020 and unanimously voted to recommend the following abatement terms and conditions that have now been accepted by the Company:

1. Abatement of real estate taxes for improvements made at the Project Site at a declining rate as follows: 75% for years 1-5; 50% for years 6-10; and 25% for years 11-15.
2. At no point during the duration of the abatement can the valuation of the real property drop below \$375,000.
3. The Company will pay an annual monitoring fee in the amount of \$500.00.
4. All other standard abatement terms and conditions apply.

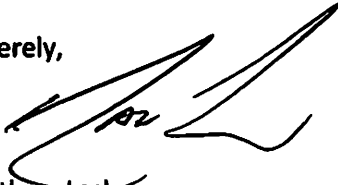
Pursuant to Section 5709.83 of the Ohio Revised Code, EHOVE is hereby notified of the proposed Community Reinvestment Area Agreement with the Company.

Chris McCully, Superintendent
EHOVE Career Center
December 4, 2020
Page 2 of 2

While EHOVE has fourteen (14) days under statute to review and take action on this request, we ask that you expedite your review and provide a letter supporting the abatement and formally waiving the fourteen-day statutory review period. Board of Education approval is not required under statute for vocational schools.

Please feel free to call the undersigned at (419) 433-5000 with any questions or comments.

Sincerely,

A handwritten signature in black ink, appearing to read 'ML', with a long horizontal stroke extending to the right.

Matthew Lasko
City Manager

ML:tw
Enclosures

EXHIBIT "C"
SIGNED HURON SCHOOLS NOTIFICATION



December 5, 2020

Dennis Muratori, Superintendent
Huron City Schools
712 Cleveland Road East
Huron, Ohio 44839

Re: ALDRIDGE BOUTIQUE LLC (dba MOCO BOUTIQUE)
Notification of Company's Request for CRA Tax Abatement

Dear Mr. Muratori:

The City of Huron has received a request for tax abatement from Aldridge Boutique LLC dba MOCO Boutique (the "Company") under the Community Reinvestment Area (CRA) abatement program, a copy of which is enclosed. The Company intends to relocate and construct a new facility to house its e-commerce sales and warehousing business. The proposed location includes approximately 6 acres located at 1708 Sawmill Parkway (the "Project Site"). The proposed new construction represents an estimated new project investment of \$2,727,000 (see breakdown in enclosed agreement) and will result in a facility comprised of 40,000 SF. The Company currently employs 21 full-time employees and 12 part-time employees with an annual payroll of \$564,000.

The Tax Incentive Negotiating Committee met to review this request on December 1, 2020 and unanimously voted to recommend the following abatement terms and conditions that have now been accepted by the Company:

1. Abatement of real estate taxes for improvements made at the Project Site at a declining rate as follows: 75% for years 1-5; 50% for years 6-10; and 25% for years 11-15.
2. At no point during the duration of the abatement can the valuation of the real property drop below \$375,000.
3. The Company will pay an annual monitoring fee in the amount of \$500.00.
4. All other standard abatement terms and conditions apply.

We have attached a draft copy of the Community Reinvestment Area Agreement. Please review this document and contact the undersigned with any corrections or suggestions.

Pursuant to Ohio Revised Code Section 3735.67.1(1) and 3735.67.1(B) the Huron City Schools are hereby notified that the proposed CRA Agreement exceeds certain statutory limitations imposed by the Ohio

Dennis Muratori, Superintendent
Huron City Schools
December 4, 2020
Page 2 of 2

Revised Code. Because of these statutory limitations and the required approvals contained therein, we ask that you take the following actions:

- a. Because of the statutory limitations and the required approvals, we ask that the schools formally approve the granting of the CRA Tax Abatement and provide written notification of the school's approval to the City of Huron as soon as practical.
- b. We have attached a copy of the Company's application and a draft of the Community Reinvestment Area Agreement. Please review and contact the undersigned with any comments or concerns that you may have.

Subsequent to action by the Huron City Schools we will forward the agreements to the Huron City Council for its approval.

Please feel free to call the undersigned at (419) 433-5000 with any questions or comments.

Sincerely,



Matthew Lasko
City Manager

ML:tw
Enclosures

EXHIBIT "D"
HURON SCHOOLS APPROVAL



Huron Board of Education
Committed to Excellence

712 Cleveland Road East
Huron, OH 44839
Phone: 419.433.1234, Ext. 5003
Fax: 419.433.7095
Visit us at: <http://www.huronhs.com>

TAX ABATEMENT AGREEMENT 20-0129

Recommendation to approve the following resolution:

Whereas the Sawmill Industrial Park (City of Huron) portion of the Huron City School District in Erie County has been designated as an Ohio Enterprise Zone as set forth in section 5709.63 of the Ohio Revised Code by resolution of the Board of County Commissioners of Erie County and approved by the Director of Development of the State of Ohio; and

Whereas Aldridge Boutique LLC (dba MOCO Boutique), located at 422 Cleveland Rd East., Huron, Ohio 44839 desires to build a new facility at 1708 Sawmill Parkway, Huron, Ohio, which is located within the boundaries of the Enterprise Zone and within the boundaries of the Huron City School District; and

Whereas Aldridge Boutique LLC, has applied for a 15-year abatement of taxes on the proposed improvements with a 100% abatement over the said period; and

Whereas the County's Tax Incentive Review Council (TIRC) has met in regards to this application and recommended the approval of the Huron City School District for a 75% abatement in years 1-5, a 50% abatement in years 6-10, and a 25% abatement in years 11-15 with the real property valuation not to drop below \$375,000.

Now, therefore be it resolved that the Huron City School District's Board of Education does hereby resolve and make known that it approves an Ohio Enterprise Zone Agreement with a 75% abatement in years 1-5, a 50% abatement in years 6-10, and a 25% abatement in years 11-15.

Mr. Jones moved, seconded by Mr. Ward that the foregoing recommendation be approved.

Roll Call:

Mrs. Green	yes
Mr. Jones	yes
Mrs. Mast	yes
Mr. Slocum	yes
Mr. Ward	yes

TREASURER'S CERTIFICATION

The above is a true and correct excerpt from the minutes of the regular meeting of the Board of Education of Huron City School District, Ohio, held on December 15, 2020, showing the adoption of the resolution hereinabove set forth.

Treasurer, Board of Education
Huron City School District, Ohio

EXHIBIT "E"
CITY COUNCIL APPROVAL