

## **ORDINANCE NO. 2022-21**

Introduced by Joel Hagy

**AN ORDINANCE APPROVING THE COMMUNITY REINVESTMENT AREA AGREEMENT WITH THREE SEASONS PARTNERS, LLC AND SOUTH SHORE LAKE ERIE ASSETS & OPERATIONS, LLC, DBA SOUTH SHORE MARINE; AUTHORIZING THE CITY MANAGER TO EXECUTE THE COMMUNITY REINVESTMENT AREA AGREEMENT SUBSTANTIALLY IN THE FORM ATTACHED TO THIS ORDINANCE; AND DECLARING AN EMERGENCY**

**WHEREAS**, the City of Huron (the “City”) has encouraged the development of commercial and industrial structures within its boundaries, which development would result in the creation and retention of employment opportunities in the City;

**WHEREAS**, to encourage such development, 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established a Community Reinvestment Area (“CRA”) by the passage of Ordinance No. 2008-10 adopted on May 13, 2008, as repealed and readopted by Ordinance No. 2008-22 adopted July 22, 2008 under the authority of Ohio Revised Code (“R.C.”) Sections 3735.65 through 3735.70 (the “CRA Act”);

**WHEREAS**, the City has received a request for tax abatement within the CRA for construction of improvements to the existing building, and for construction of an additional storage facility (the “Project”) on property acquired owned by Three Seasons Partners, LLC, an Ohio limited liability company (“Three Seasons Partners”), and leased to South Shore Lake Erie Assets & Operations, LLC, an Ohio limited liability company, dba South Shore Marine (“South Shore Marine”);

**WHEREAS**, pursuant to the CRA Resolution and the CRA Act, the City, Three Seasons Partners, and South Shore Marine desire to execute a Community Reinvestment Area Agreement (the “CRA Agreement,” substantially in the form attached hereto as Exhibit A and incorporated herein by reference) in connection with the Project on certain land owned by or to be owned by the South Shore Marine in the City (the “Project Site”) and located within the jurisdiction of the Huron City School District and the EHOVE Joint Vocational School District, which Project Site is described in Exhibit A to the CRA Agreement;

**WHEREAS**, South Shore Marine will construct and equip the Project on the Project Site with a total investment of approximately \$1,600,000.00;

**WHEREAS**, the CRA Agreement will provide South Shore Marine with a fifteen (15) year, 100% real property tax exemption for the assessed value of new structures constructed at the Project Site and a fifteen (15) year, 100% real property tax exemption for the increase in assessed value at the Project Site (the “CRA Exemption”);

**WHEREAS**, the EHOVE Joint Vocational School District and its Board of Education have been notified in accordance with Division (A)(2) of R.C. 3735.671 and R.C. 5709.83 and given a copy of the Application and a draft of the Community Investment Agreement;

**WHEREAS**, the Huron City School District and its Board of Education have been notified in accordance with Division (A)(2) of R.C. 3735.671 and R.C. 5709.83 and given a copy of the Application and draft of the Community Reinvestment Agreement;

**WHEREAS**, the Board of Education of the Huron City School District approved the execution of the CRA Agreement and waived all applicable notice and waiting requirements relevant to the CRA Agreement including, without limitation, R.C. Sections 3735.671 and 5709.83 on April 19, 2022;

**WHEREAS**, the Board of Education of the EHOVE Joint Vocational School District approved the execution of the CRA Agreement and waived all applicable notice and waiting requirements relevant to the CRA Agreement including, without limitation, R.C. Sections 3735.671 and 5709.83 on April 6, 2022;

**WHEREAS**, South Shore Marine and the City desire to execute the CRA Agreement to provide for the successful development of the Project Site, which development will create and preserve employment opportunities in the City and will benefit the citizens of the City; 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:**

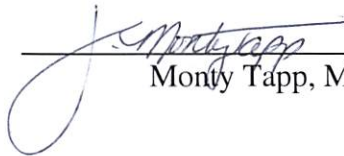
**SECTION 1.** That this Council hereby approves the CRA Agreement in substantially the form on file in the office of the Clerk of Council and attached to this Ordinance as Exhibit "A", with changes or amendments thereto not inconsistent with this Ordinance and not substantially adverse to the City. The City Manager, or other appropriate officer of the City, is hereby authorized to execute the CRA Agreement and any amendments thereto deemed by the City to be necessary. The approval of changes or amendments by the City, and the character of the changes or amendments as not being inconsistent with this Ordinance and not being substantially adverse to the City, shall be evidenced conclusively by the execution of the CRA Agreement by the City. In addition, the City Manager is hereby authorized to execute and deliver as necessary compensation agreements with each of Huron City School District and EHOVE Joint Vocational School District providing for South Shore Marine or Three Seasons Partners to make each of Huron City School District and EHOVE Joint Vocational School District whole with respect to the CRA Agreement (i.e., to pay such school districts the amount they would have received from real property taxes, but for the abatement), which agreements shall be in substantially the form approved by the City in prior similar transactions, together with such changes or amendments determined by the City Manager not to be materially adverse to the City.

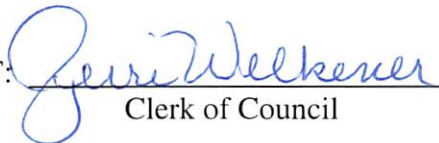
**SECTION 2.** That, if any section, phrase, sentence or portion of this Ordinance is, for any reason, held invalid or unconstitutional by a Court of competent jurisdiction, such portion

shall be deemed a separate, distinct and independent provision, and such holding shall not affect the validity of the remaining portions hereof.

**SECTION 3.** 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 R.C. Sec. 121.22.

**SECTION 4.** 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.

  
\_\_\_\_\_  
Monty Tapp, Mayor

ATTEST:   
\_\_\_\_\_  
Clerk of Council

ADOPTED: 26 APR 2022



## COMMUNITY REINVESTMENT AREA AGREEMENT

THIS COMMUNITY REINVESTMENT AREA AGREEMENT is made and entered into this [29<sup>th</sup>] day of [April], 2022 by and among 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 (the “**City**”), THREE SEASONS PARTNERS, LLC an Ohio limited liability company having a legal address of 1611 Sawmill Parkway, Huron, OH 44839, and SOUTH SHORE LAKE ERIE ASSETS & OPERATIONS, LLC, dba SOUTH SHORE MARINE, an Ohio limited liability company having a legal address of 1611 Sawmill Parkway, Huron, OH 44839 (collectively referred to herein as the “**Company**”), and with the City, each may be referred to herein as a “**Party**” or collectively as the “**Parties**”).

### WITNESSETH:

WHEREAS, the City desires to pursue all reasonable and legitimate incentive measures to assist, encourage, and stimulate development in specific areas of the City that have not enjoyed sufficient reinvestment from remodeling or new construction; and,

WHEREAS, the City Council of the City, by Ordinance No. 2008-10 adopted June 10, 2008 (the “**Ordinance**”), designated the area specified in the Ordinance as the Huron City Community Reinvestment Area (the “**CRA**”) pursuant to Ohio Revised Code Section (“**R.C.**”) 3735.65 through R.C. 3735.70 (the “**CRA Act**”), and authorized a real property tax exemption for the construction of new structures and the remodeling of existing structures in the CRA in accordance with the CRA Act; and,

WHEREAS, effective August 18, 2008, the Director of Development of the State of Ohio determined that the CRA contains the characteristics set forth in R.C. 3735.66 and certified the CRA as No. 043-37016-01 under the CRA Act; and,

WHEREAS, the Company has acquired or will acquire the real property contained within the City and the CRA, described in **EXHIBIT A** attached hereto (the “**Project Site**”); and,

WHEREAS, the Company has submitted to the City an application for a community reinvestment area agreement (the “**Application**”), a copy of which is attached hereto as **EXHIBIT B**; and,

WHEREAS, the Company desires to make improvements to and expand the Project Site by adding a new boat storage building in excess of 24,000 sq. ft. of new heated space (the “**Project**”) (such new construction, with its related site improvements, may be referred to hereinafter from time to time as the “**real property improvement**” and/or the “**Building**”), provided that the appropriate development incentives are available to support the economic viability of the Project; and,

WHEREAS, the Company has remitted or shall remit with the Application the required State of Ohio application fee of \$750.00, made payable to the Ohio Department of Development, to be forwarded with this Agreement, and has paid any applicable local fees; and,

WHEREAS, pursuant to Division (A) of R.C. 3735.67 and in conformance with the format required under Division (B) of R.C. 3735.671, the City and the Company desire to formalize their agreement with respect to matters hereinafter contained; and,

WHEREAS, the Project Site is located in the territory of the Huron City School District (the “**City Schools**”) and the EHOVE Joint Vocational School District (“**EHOVE**”, which together with the City Schools, may be referred to as the “**School Districts**”), and each of the respective boards of education of the School Districts (the “**Boards of Education**”) has been notified of the proposed approval of this Agreement in accordance with Division (A)(2) of R.C. 3735.671 and R.C. 5709.83, and each has been given a copy of the Application and a draft of this Agreement; and,

WHEREAS, the Council, by Ordinance No. 2022-21, adopted on April 26, 2022, has approved the terms of this Agreement and authorized its execution on behalf of the City.

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. Project.** The cost of the investments to be made in connection with the Project by the Company is estimated to be approximately one million six hundred thousand dollars (\$1,600,000.00) for construction of the Building (exclusive of any amounts for acquisition of machinery and equipment, furniture and fixtures, and inventory) (the “**Minimum Investment**”). The Parties recognize that costs do not necessarily equal otherwise taxable value. The Parties further recognize and agree that Company’s failure to make the Minimum Investment at the Project Site will be considered a material failure of Company to fulfill its obligations under this Agreement, which material failure may result in termination, suspension, or modification of the exemption from real property taxation granted under this Agreement, pursuant to Section 13 below.

**2. Values of Personal Property.** The value for Ohio personal property tax purposes of the non-inventory personal property of the Company that is located at another location in Ohio prior to the execution of this Agreement and that is to be relocated from that location to the Project Site is zero dollars (\$0.00). The value for Ohio personal property tax purposes of the non-inventory personal property of the Company located at the Project Site prior to the execution of this Agreement is zero dollars (\$0.00). The average value for Ohio personal property tax purposes of the inventory of the Company held at another location in Ohio prior to the execution of this Agreement and to be relocated from that location to the Project Site is zero dollars (\$0.00). The average value for Ohio personal property tax purposes of the inventory of the Company at the Project Site prior to the execution of this Agreement is zero dollars (\$0.00).

**3. Minimum Valuation of Real Property.** Notwithstanding the Minimum Fully Taxable Value, defined herein, the Parties acknowledge and agree no exemption hereunder is applicable to the then-current valuation for real estate tax purposes of the Project Site for tax year 2021 (i.e., tax lien date January 1, 2021).

**4. Project Schedule.** The scheduled estimated starting month for the Project investments to be made in building, machinery, equipment, furniture, fixtures and/or inventory is approximately May 1, 2022; and the scheduled estimated completion month for such investments is no later than approximately September 30, 2022. The estimates provided in this Section 4 are good faith estimates provided pursuant to Division (B)(3) of R.C. 3735.671 and are not to be construed in a manner that would limit the amount or term of the tax exemptions provided in this Agreement, other than as those tax exemptions are limited in Section 7 of this Agreement.

**5. Employee Positions.** The Company estimates that there will be created at the Project Site approximately four (4) full-time permanent employee positions with an aggregate annual payroll of approximately \$240,000.00 within twenty-four (24) months of the date on which the certificate of occupancy is issued for the Project, and zero (0) part-time or temporary positions. Hiring of such employees is estimated to commence and to continue incrementally during that thirty-six (36) month period. At the time of this Agreement's execution, the Company has five (5) part-time employees and fifty-five (55) full-time employees at the Project Site and it intends to retain said employee positions in connection with the Project. Further, at the time of this Agreement's execution, the Company has zero (0) employees at other locations in Ohio. The estimates provided in this Section 5 are good faith estimates provided pursuant to Division (B) of R.C. 3735.671 and are not to be construed in a manner that would limit the amount or term of the tax exemptions provided in this Agreement. The Parties recognize that the employment and payroll estimates associated with the Project may increase or decrease. The Parties also recognize that it is anticipated that all employees at the Project Site will be hired by the Company.

**6. Provision of Information.** Company shall provide to the proper tax incentive review council (the "TIRC") and community reinvestment area housing council ("Housing Council") any information reasonably required by the TIRC and/or the Housing Council to evaluate the compliance of the Company with the Agreement, including returns or annual reports of the Company filed pursuant to R.C. 5711.02 (if any) as may be requested by the TIRC and/or the Housing Council.

**7. Real Property Tax Exemption.** The City hereby grants to Company a tax exemption pursuant R.C. 3735.67 in the amount of One Hundred Percent (100.00%) for a term of fifteen (15) consecutive years (the "Exemption") for the assessed value of any remodeling of and construction at the Project Site. The exemption commences the first year such real property improvement would first be taxable were that property not hereby exempted from taxation. No exemption shall commence after tax year 2024 (i.e., tax lien date January 1, 2024) nor extend beyond tax year 2038 (i.e., tax lien date January 1, 2038).

**8. Application for Exemption.** Company acknowledges that the tax exemption with respect to the real property improvement is subject to Company's filing of a real property tax exemption application with the Housing Officer designated by the City for the CRA, following the completion of construction of that real property improvement. The City agrees that upon receipt of the real property tax exemption application, the Housing Officer shall certify the tax exemption to the Erie County Auditor.

**9. Payment of Non-Exempt Taxes.** Company shall pay such taxes and real property taxes as are not exempted under this Agreement or otherwise exempted and are charged against

the Company's property and shall file all tax reports and returns as required by law in connection therewith. If the Company fails to pay such taxes or file such returns and reports, and such failure is not corrected within thirty (30) days of written notice thereof to Company, all exemptions from taxation granted under this Agreement with respect to property of the Company are rescinded beginning with the year for which such unpaid taxes are charged or such unfiled reports or returns are required to be filed and thereafter. Further, if the Company fails to pay such taxes or file such returns and reports, and such failure is not corrected within thirty (30) days of written notice thereof to Company, the Company must pay back all real property taxes that would have been charged against Company's property in absence of the exemption granted under this Agreement. For purposes of this Section 9, "taxes" means all real property taxes, annual service payments in lieu of taxes, general and special assessments, and any other governmental charges validly levied or assessed against any parcel of real property located within the Project Site.

**10. Cooperation of the City.** The City shall perform such acts as are reasonably necessary or appropriate to approve, effect, claim, reserve, preserve, and maintain the exemptions from taxation granted under this Agreement including, without limitation, joining in the execution of all documentation and providing any necessary certificates required in connection with such exemptions. The City shall give its fullest cooperation in the development of the Project, including, but not limited to: (i) the review, processing and approval of all building, zoning, or other permits, and (ii) all other activities related to the Project.

**11. Revocation of CRA.** If for any reason the City revokes or purports to revoke the designation of the CRA, entitlements granted under this Agreement are to continue for the number of years specified in this Agreement, unless the Company materially fails to fulfill its obligations under this Agreement and such failure is not corrected within thirty (30) days of written notice thereof to such Company, and consequently, the City terminates or modifies the exemptions from taxation granted in this Agreement with respect to property of such Company from the date of the material failure. Except for any amendment, revocation, modification, suspension, or termination otherwise permitted under this Agreement, the City agrees that it will not amend or revoke the CRA designation as to the Project Site, or modify the incentives available under that designation for the Project Site, prior to tax year 2038.

**12. Certification as to No Delinquent Taxes.** Company hereby certifies that at the time this Agreement is executed, (i) it does not owe any delinquent real or tangible personal property taxes to any taxing authority of the State and does not owe delinquent taxes for which it is liable under Chapters 5733, 5735, 5739, 5741, 5743, 5747, or 5753 of the Ohio Revised Code, or, if such delinquent taxes are owed, it is currently paying the delinquent taxes pursuant to an undertaking enforceable by the State or an agent or instrumentality thereof, (ii) it has not filed a petition in bankruptcy under 11 U.S.C.A. 101, *et seq.*, and (iii) no such petition has been filed against it. For the purposes of this certification, delinquent taxes are taxes that remain unpaid on the latest day prescribed for payment without penalty under the chapter of the Ohio Revised Code governing payment of those taxes.

**13. Termination, Suspension or Modification upon Default.** If Company materially fails to fulfill its obligations under this Agreement and such failure is not corrected within thirty (30) days of written notice thereof to Company (provided, however, that such opportunity to cure such default will not, under any circumstance, and notwithstanding anything to the contrary in this

Agreement, toll or otherwise suspend any obligation of the Company to pay any non-exempt taxes, real property taxes, or municipal income taxes), or if the City determines that the certification as to delinquent taxes required by this Agreement is fraudulent, the City may terminate, suspend, or modify the exemptions from taxation granted under this Agreement with respect to property of the Company, from the date of the material failure.

**14. Approval by the City.** Company and the City acknowledge that this Agreement must be approved by formal actions of the legislative authority of the City as a condition for this Agreement to take effect. This Agreement takes effect upon such approval.

**15. Non-Discriminatory Hiring.** By executing this Agreement, Company will follow the City's non-discriminatory hiring practices policy and commits that no individual may be denied employment solely on the basis of race, religion, sex, disability, color, national origin, or ancestry.

**16. Revocation of Exemptions.** Exemptions from taxation granted under this Agreement are to be revoked with respect to the Company if it is determined that such violating Company, any successor enterprise to such violating Company, or any related member of such violating Company (as those terms are defined in Division (E) of R.C. 3735.671) has violated the prohibition against entering into the Agreement under Division (E) of R.C. 3735.671 or R.C. 5709.62 or R.C. 5709.63 prior to the time prescribed by that division or either of those sections.

**17. Transfer and/or Assignment; Release from Liability.** This Agreement is not transferable or assignable without the express, written approval of the Huron City Council.

**18. Counterparts.** This Agreement may be signed in one or more counterparts or duplicate signature pages with the same force and effect as if all required signatures were contained in a single original instrument. Any one or more of such counterparts or duplicate signature pages may be removed from any one or more original copies of this Agreement and annexed to other counterparts or duplicate signature pages to form a completely executed original instrument.

**19. Severability; Construction; Headings.** If any provision of this Agreement or the application of any such provision to any such person or any circumstance is to be determined to be invalid or unenforceable, then such determination will not affect any other provision of this Agreement or the application of such provision to any other person or circumstance, all of which other provisions are to remain in full force and effect. If any provision of this Agreement is capable of two constructions one of which would render the provision valid, then such provision is to have the meaning which renders it valid. The captions and headings in this Agreement are for convenience only and in no way define, limit, prescribe, or modify the meaning, scope, or intent of any provisions hereof.

**20. Validity.** Company covenants and agrees that Company is prohibited from challenging the validity of this Agreement or the CRA. In that regard, Company waives any defects in any proceedings related to the CRA or this Agreement. If the validity of the CRA or this Agreement is challenged by any entity or individual, whether private or public, Company shall advocate diligently and in good faith in support of the validity of the CRA and this Agreement.

**21. Intentionally Omitted.**



**22. Notices.** Any notices, statements, acknowledgements, consents, approvals, certificates, or requests required to be given on behalf of any party to this Agreement are to be made in writing addressed as follows and sent by (i) registered or certified mail, return receipt requested, and will be deemed delivered when the return receipt is signed, refused or unclaimed, (ii) nationally recognized overnight delivery courier service and will be deemed delivered the next business day after acceptance by the courier service with instructions for next-business-day delivery, or (iii) facsimile transmission and will be deemed delivered upon receipt of confirmation of transmission:

If to the City, to:

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

If to the Company, to:

Three Seasons Partners, LLC  
South Shore Lake Erie Assets & Operations, LLC, dba South Shore Marine  
1611 Sawmill Parkway  
Huron, OH 44839

or to any such other addresses as may be specified by any party, from time to time, by prior written notification.

**23. Ohio Revised Code Section 9.66 Covenants.** Company affirmatively covenants that it has made no false statements to the State or any local political subdivision in the process of obtaining approval of the CRA tax exemptions; and that it does not owe: (i) any delinquent taxes to the State or a political subdivision of the State; (ii) any moneys to the State or a State agency for the administration or enforcement of any environmental laws of the State; and (iii) 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. If any representative of the Company has knowingly made a false statement to the State or any local political subdivision to obtain the CRA tax exemptions, Company shall be required to immediately return all benefits received by it under this Agreement pursuant to Division (C)(2) of R.C. 9.66 and Company shall be ineligible for any future economic development assistance from the State, any State agency or a political subdivision pursuant to Division (C)(1) of R.C. 9.66. 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 R.C. 2921.13, which is punishable by a fine of not more than \$1,000 and/or a term of imprisonment of not more than six (6) months.

**24. Force Majeure.** Neither the City nor Company are to be considered in default of their respective obligations hereunder in the event of delay in performance of such obligations due to causes beyond their 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 is to be extended for the period of the delay.

**25. Annual Monitoring Fee.** Company shall pay to the City an annual fee equal to the greater of one percent (1%) of the amount of taxes exempted under this Agreement, less any taxes or fees paid under School Compensation Agreements related to this agreement, or five hundred dollars (\$500.00), provided however that if the value of the incentives exceeds two hundred fifty thousand dollars (\$250,000.00), the fee is not to exceed two thousand five hundred dollars (\$2,500.00) (the “**Annual Monitoring Fee**”). The Annual Monitoring Fee is due and payable, via cash or check, on or before March 31 of each year during the term of this Agreement, irrespective whether the exemption has commenced under Section 7 herein. The fee shall be invoiced by and be payable to the Erie County Regional Planning Commission. The Annual Monitoring Fee is to be deposited in a special fund created for such purpose and shall be used exclusively for the purpose of complying with Division (D) of R.C. 3735.671 and evaluating with the TIRC the Company’s compliance with the terms, covenants, or conditions of this Agreement.

**26. Intentionally Omitted.**

**27. Estoppel Certificate.** Upon request of Company, the City shall execute and deliver to Company or any proposed purchaser, mortgagee, or lessee a certificate stating: (a) that the Agreement is in full force and effect, if the same is true; (b) that Company is not in default under any of the terms, covenants, or conditions of the Agreement, or if Company is in default, specifying same; and (c) such other matters as Company reasonably requests.

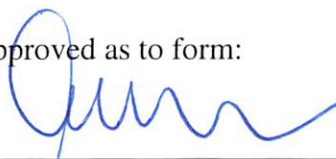
**28. Entire Agreement.** Notwithstanding the School Compensation Agreement, defined below in this Section 28, this Agreement and the Ordinance constitute the entire agreement between Company and the City pertaining to the subject matter contained herein and therein and supersede all other prior or contemporaneous agreements or understandings between Company and the City in connection with such subject matter. The Parties acknowledge their mutual desire to contemporaneously enter into a school compensation agreement with each of the School Districts in order to compensate the School Districts for the amount of taxes that would have been charged and payable each year during the term of this Agreement upon the property had the Project Site not been exempted from taxation.

[Signature Page Follows]

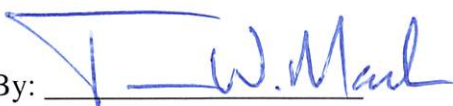
IN WITNESS WHEREOF, the Parties have caused this instrument to be executed effective as of the date set forth herein.

**THE CITY OF HURON, OHIO**


  
\_\_\_\_\_  
Matthew Lasko  
City Manager

Approved as to form:  
  
\_\_\_\_\_  
Todd A. Schrader, Law Director

**THREE SEASONS PARTNERS, LLC**

By:   
\_\_\_\_\_  
Its: President

**SOUTH SHORE LAKE ERIE ASSETS & OPERATIONS, LLC  
dba SOUTH SHORE MARINE**

By:   
\_\_\_\_\_  
Its: G.M.

## PROJECT SITE

42-01952.007

[illegible]

**EXHIBIT B**

**APPLICATION FOR COMMUNITY REINVESTMENT AREA AGREEMENT**

[See Attached.]

**PROPOSED AGREEMENT** for Community Reinvestment Area Tax Incentives between the  
**CITY OF HURON** located in the County of Erie and

Three SeaSons Partners, LLC / South Shore Marine

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

**Address**

**Telephone:**

South Shore Marine (Tenant)  
1611 Sawmill Parkway / Huron, OH 44839

W: 419-433-5798

Three Seasons Partners, LLC (Landlord)  
1611 Sawmill Parkway / Huron, OH 44839

**b. Project site:**

**Contact Person:**

South Shore Marine  
1591 Sawmill Parkway / Huron, OH 44839

Thomas W. Mack  
M: 419-656-0071

2. a. Nature of commercial/industrial activity (manufacturing, warehousing, wholesale or retail stores, or other) to be conducted at the site. Marine Dealership: Sales, Service, Storage

b. List primary 6 digit North American Industry Classification System (NAICS) #  
Business may list other relevant SIC numbers. 441222

c. If a consolidation, what are the components of the consolidation? (must itemize the location, assets, and employment positions to be transferred: Not a Consolidation

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

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

**NO**

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

**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 (add additional sheets).

6. Project Description:

**Construct a 24,000 SF Heated Storage Building**

7. Project will begin 5/1/22 and be completed 9/30/22

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):

**4**

b. State the time frame of this projected hiring: 2 yrs.

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

**Hire 4 Full-Time Employees ASAP**

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).

**\$240,000**

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

**Existing Annual Payroll ~ \$5,230,000 will be maintained for current Job Retention.**

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

- A. Acquisition of Buildings: \$
- B. Additions/New Construction: ~\$1,600,000
- C. Improvements to existing buildings: \$
- D. Machinery & Equipment: \$ 105,000.00
- E. Furniture & Fixtures: \$
- F. Inventory: \$
- Total New Project Investment: ~\$1,705,000

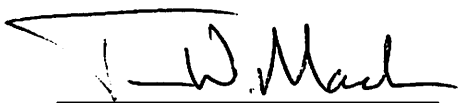
11. a. Business requests the following tax exemption incentives: 100 % for 15 years covering real as described above. Be specific as to the rate, and term.

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

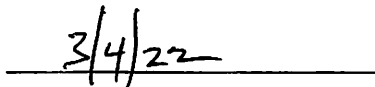
1. South Shore Marine continues to experience significant growth requiring additional resources and infrastructure. SSM Currently leases approximately 35,000 SF of heated storage between Catawba Island and Sandusky which means our team members are working off-site much more than desired which harms our operational efficiency. Our technicians are much happier working onsite (local).
2. The need for space (now) coincides with what appears to be the peak of the market for costs for new construction which creates higher ownership costs and corresponding lease rates, so property tax expenses matter significantly.
3. South Shore Marine is somewhat unique in that we truly import dollars to the local community in contrast to many business' that "recycle" community dollars. We understand this is an important consideration for evaluating such tax incentives. Please note that approximately 98% of our revenue is from outside of Erie County.
4. South Shore Marine's growth especially in the last decade makes us one of the largest sources in Erie County for Retail Ohio Sales Tax: (ST-10 + Erie Co. Clerk of Courts + Non-Resident Watercraft Tax). This total is approximately \$3,000,000 annually today.
5. We are very proud that the City of Huron has been our home since 1989 and we have consistently worked to be a good community partner. Most Marine dealers with 50+ employees and similar Revenue would have 3-4 unique locations in a 50 mile radius; we have chosen to grow with one location central to our market. This strategy while unique has served us well and historically the Reinvestment Tax Incentives have been important and most appreciated.



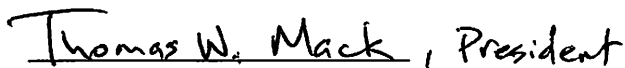
future economic development assistance benefits as well as a fine of not more than \$1,000 and/or a term of imprisonment of not more than six months.



Signature



Date



Typed Name and Title

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Signature

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Date

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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.