



Community Reinvestment Area Agreement

This agreement made and entered into by and between the City of Orrville, Ohio, a municipal corporation, with its main offices at 207 North Main Street, Orrville, Ohio (hereinafter referred to as “ORRVILLE”) and, CVS 4605 OH, LLC, a Delaware limited liability company with its main offices located at 1 CVS Drive, Woonsocket, RI 02895 (hereinafter referred to as “CVS”), WITNESSETH;

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

WHEREAS, CVS is desirous of constructing a new 11,945 square foot retail pharmacy with double drive-thru windows at the northwest corner of Main and High Streets (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 the City of Orrville, Ohio by Ordinance Q – 07 adopted November 5, 2007, designated the area as an “Community Reinvestment Area” pursuant to Chapter 3735 of the Ohio Revised Code; and

WHEREAS, effective November 14, 2007, the Director of Development of the State of Ohio determined that the aforementioned area designated in said Ordinance contains the characteristics set forth in Section 3735.66 of the Ohio Revised Code and certified said area as a Community Reinvestment Area under said Chapter 3735; and

WHEREAS, ORRVILLE having the appropriate authority for the stated type of project is desirous of providing CVS with incentives available for the developments of the PROJECT in said Community Reinvestment Area under Chapter 3735 of the Ohio Revised Code; and

WHEREAS, CVS has submitted a proposed agreement application (herein attached as Exhibit A) to ORRVILLE said application (hereinafter referred to as “Application”); and

WHEREAS, CVS has remitted the required state application fee of \$750.00 made payable to the Ohio Department of Development with the application to be forwarded with the final agreement; and

WHEREAS, the Safety – Service Director of the City of Orrville has investigated the application of CVS and has recommended the same to the Council of the City of Orrville on the basis that CVS 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 ORRVILLE; and

WHEREAS, the project site proposed by CVS is located in the Orrville City School District and the Wayne County Joint Vocational School District and the Boards of Education of the Orrville City School District and the Wayne County Joint Vocational School District have been notified in accordance with Section 5709.83 and have 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), 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. CVS shall construct a retail pharmacy with double drive-thru windows at the northwest corner of Main and High Streets, Orrville Ohio, to replace an in-line CVS location. Said facility shall be constructed a 1.297 acre parcel, formerly known as lots 70, 71, 72, 3394, and 3398, part of a 15' alley and part of a 12' alley vacated by the City of Orrville, the same is know and designed on the Auditor's revised list of lots in the 1st ward of Orrville, Ohio.

The PROJECT will involve a total investment by CVS of (\$4,345,750 Four Million Three Hundred Forty-Five Thousand Seven Hundred Fifty dollars, plus or minus 10% at the North Main Street site. Included in this investment are (\$1,372,050) One Million Three Hundred Seventy-Two Thousand Fifty dollars for land acquisition, (\$1,709,100) One Million Seven Hundred Nine Thousand One Hundred dollars for construction of the facility, (\$174,200) One Hundred Seventy-Four Thousand Two Hundred dollars to purchase first used machinery and equipment, (\$295,400) Two Hundred Ninety-Five Thousand Four Hundred dollars for furniture and fixtures, and (\$769,000) Seven Hundred Sixty-Nine Thousand dollars for new inventory.

The PROJECT will begin June 1, 2008 and all acquisition, construction, and installation will be completed by March 31, 2009.

2. CVS shall create within a time period not exceeding (36) thirty-six months after the commencement of construction of the aforesaid facility, equivalent of (1) one full-time permanent job opportunities, (3) three part-time permanent job opportunities, (0) no full-

time temporary job opportunities, and (0) no part-time temporary job opportunities. CVS will use its best efforts to retain (11) eleven existing full-time equivalent jobs at the North Main Street facility.

CVS’s schedule for hiring is as follows: create (0) no new jobs in year one; (0) no new jobs in year two; (1) one permanent full-time jobs in year three; and (3) three permanent part-time jobs in year three. The job creation period begins 06/01/2008 and all jobs will be in place by 05/31/2011.

CVs currently has (6) six full-time permanent employees, (5) five part-time permanent employees, (0) nor full-time temporary employees, and (0) no part-time temporary employees at the project site. In total, CVS has (3,425) Three Thousand Four Hundred Twenty-Five full-time permanent employees, (2,803) Two Thousand Eight Hundred Three part-time permanent employees, (0) no full-time temporary employees, and (0) no part-time temporary employees in the State of Ohio.

The increase in the number of employees will result in approximately (\$53,000) Fifty-Three Thousand dollars of additional annual payroll for CVS. The following is an itemization by the type of new jobs created: full-time permanent (\$28,000) Twenty-Eight Thousand dollars, part-time permanent (\$25,000) Twenty-Five Thousand dollars, full-time temporary (\$0), and part-time temporary (\$0). The retention of the existing jobs will maintain the current annual payroll of (\$500,000) Five Hundred Thousand dollars.

CVS hereby agrees to use their best efforts to hire 30% of any new employment opportunities with people who at the time of employment have a City of Orrville mailing address. CVS further agrees that all those who are hired who do not have a City of Orrville mailing address shall be encouraged to relocate so that they have a City of Orrville mailing address.

3. CVS shall provide to the proper Tax Incentive Review Council any information reasonably required by the Council to evaluate the Enterprise’s compliance with the agreement, including returns filed pursuant to section 5711.02 and 5727.08 of the Ohio Revised Code if requested by the Council.

In addition, CVS agrees to continue in operation for at least one additional year for each year for which abatement is granted.

4. ORRVILLE hereby grants CVS 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:

<u>Year of Tax Exemption</u>	<u>Tax Exemption Amount</u>
Years 1 – 12	50%

Each identified project improvement will receive a (12) twelve year exemption period. The exemption commences the first year for which the real property exemption would

first be taxable were that property not exempted from taxation. No exemption shall commence after December 2009 nor extend beyond 2021.

CVS must file the appropriate tax forms (DTE 23) with the County Auditor and (#913) with the State Department of Taxation to effect and maintain the exemptions covered in the agreement. The #913 Ohio tax form **must** be filed annually.

5. CVS shall pay an annual fee equal to (\$250.00) Two Hundred Fifty dollars.

The fee shall be made payable to the City of Orrville once per year for each year the agreement is effective on the days and in the following form: a check by March 31. The fee is to be paid to the Safety – Service Director and made out to the City of Orrville. 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. CVS 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. If CVS 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. ORRVILLE 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 Department of Development revokes certification of the area, or ORRVILLE revokes the designation of the area, entitlements under this agreement shall continue for the number of years specified under this agreement, unless CVS materially fails to fulfill its obligations under this agreement and ORRVILLE terminates or modifies the exemptions from taxation granted under this agreement.
9. If CVS materially fails to fulfill its obligations under this agreement or if ORRVILLE determines that the certification as to delinquent taxes required by this agreement is fraudulent, ORRVILLE 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. If ORRVILLE makes a demand for repayment, CVS shall make such repayment within thirty (30) days.

10. CVS hereby certifies that at the time of this agreement is executed, CVS 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 CVS is liable under Chapter 5733., 5735., 5739., 5741., 5743., 5747., or 5753. of the Ohio Revised Code, or, if such delinquent taxes are owed, CVS 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 CVS. For the purposes of 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. CVS 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. CVS and ORRVILLE acknowledge that this agreement must be approved by formal action of the legislative authority of the City of Orrville as a condition for the agreement to take effect. This agreement takes effect upon such approval.
13. ORRVILLE has developed a policy to ensure recipients of Community Reinvestment Area tax benefits practice non-discriminating hiring in its operations. By executing this agreement, CVS 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 CVS, any successor enterprise, 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. CVS affirmatively covenants that it has made no false statements to the State or local political subdivision in the process of obtaining approval for the Community Reinvestment Area incentives. If any representative of CVS has knowingly made a false statement to the State or local political subdivision to obtain the Community Reinvestment Area incentives, CVS 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 (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 the Council of the City of Orrville.

17. ORRVILLE acknowledges that in order to develop and finalize this agreement, CVS has disclosed to ORRVILLE certain information determined to be proprietary by CVS. To the maximum extent permissible by law, ORRVILLE agrees not to disclose any such information, not already in the public domain, to any person, firm, or corporation without CVS's prior written consent; provided, further that if any such disclosure is mandated by federal, state or local law (such as the Freedom of Information Act and all public records and sunshine laws) ORRVILLE agrees to promptly notify CVS of the requirement to make such disclosure and to fully cooperate with CVS in any procedures permitted by law to limit such disclosure.

IN WITNESS WHEREOF, the City of Orrville, Ohio by Becky L. Jewell, its Safety – Service Director, and pursuant to Resolution No. _____ has caused this instrument to be executed this _____ day of _____, 2008 and CVS by Leo A. Lapierre, its Property Tax Manager, has caused this instrument to be executed this _____ day of _____, 2008.

THE CITY OF ORRVILLE, OHIO

By: _____
Becky L. Jewell, Safety Service Director

CVS 4605 OH, LLC

By: _____
Leo A. Lapierre, Property Tax Manager

Approved as to form:

Daniel R. Lutz, Law Director

NOTE: A copy of this agreement must be forwarded to the Ohio Department of Taxation, the Ohio Department of Development, and the Wayne County Auditor within fifteen (15) days of approval to be finalized.