



OHIO'S COMMUNITY REINVESTMENT AREA PROGRAM

VILLAGE OF MIDDLEFIELD

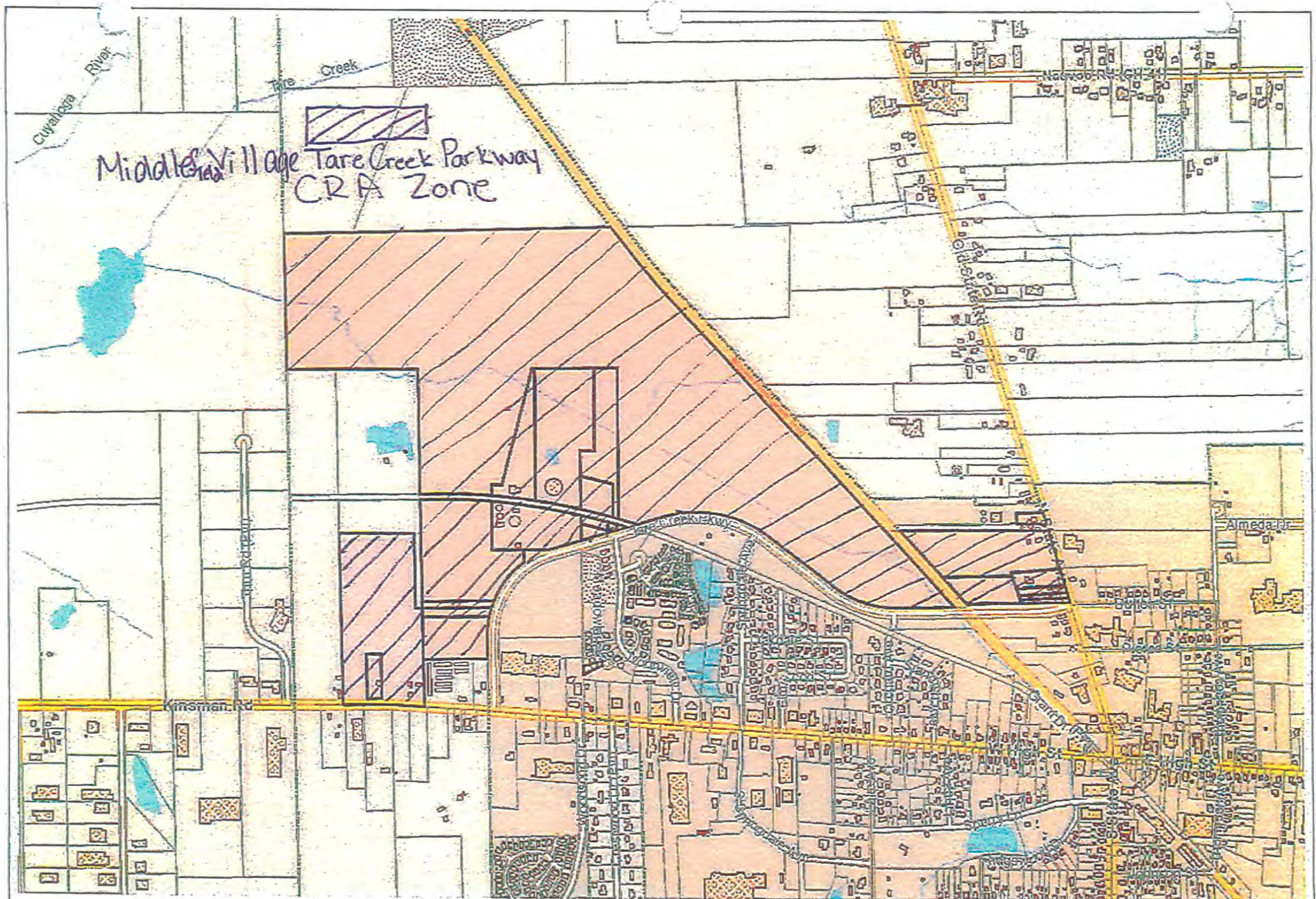
MIDDLEFIELD VILLAGE TARE CREEK PARKWAY COMMUNITY REINVESTMENT AREA DESIGNATION - AREA NO. 055-49700-364

Upon examination of (a) the "Community Reinvestment Area (CRA) Legislation Submission Cover Form" of the Middlefield Village Tare Creek Parkway Community Reinvestment Area submitted by the Village of Middlefield dated March 27, 2024; (b) a certified copy of Community Reinvestment Area Ordinance 24-103 adopted by the Village of Middlefield on March 14, 2024; and (c) a map of the area, pursuant to Ohio Revised Code Section 3735.66, the area identified as the Middlefield Village Tare Creek Parkway Community Reinvestment Area by the Village of Middlefield in the aforementioned "CRA Legislation Submission Cover Form" is assigned the unique Community Reinvestment Area designation - Number 055-49700-364.

Executed at Columbus, Ohio, this 2024-04-03 14:34:46 UTC day of April 2024.

Lydia L. Mihalik
Director
Ohio Department of Development

By: E-SIGNED by Susan Restrepo on 2024-04-03 14:34:46 EST
Name: Susan Restrepo
Title: Chief Investment Officer



Geauga REALink



Geauga County GIS

Charles E. Walder, Geauga County Auditor  
 Joe Cattell, Geauga County Engineer PE, PS



1 Inch = 1,113.29 Feet | Scale: 13,360

This tax map was prepared by Geauga County GIS in accordance with Section 5713.09 of the O.R.C. Geauga County digital data is a representation of recorder files, surveys, deeds, and other collected information for use within the Geographic Information System for purposes of public access and analysis. These and other digital data do not replace or modify land surveys, deeds, and/or other legal instruments defining land ownership or use. Geauga County assumes no legal responsibility for this information.

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September 27, 2023

ORDINANCE 24-123

**AN ORDINANCE APPROVING AND AUTHORIZING THE EXECUTION OF A  
COMMUNITY REINVESTMENT AREA AGREEMENT WITH SHERPA  
DEVELOPMENT COMPANY, LLC, AND DECLARING AN EMERGENCY**

WHEREAS, Sherpa Development Company, LLC intends to construct a Hartville Hardware and Lumber store including an 81,000 square foot building that includes 60,000 square feet of retail space, a 36,120 square foot lumber yard, three (3) 12,000 square foot enclosed storage buildings, a 5,490 square foot open-air storage barn, together with a parking lot to accommodate approximately 280 vehicles (the "Project"); and

WHEREAS, the Village has prepared and approved a program known as the Middlefield Village Tare Creek Parkway Community Reinvestment Area program (hereafter referred to as the "Program") for the maintenance of existing structures and the construction of new structures to encourage economic stability, maintain real property values, and generate new employment opportunities, and Council for the Village made findings and determinations relative thereto, by Ordinance 24-103 passed March 14, 2024; and

WHEREAS, the Village having the appropriate authority for the stated type of Project seeks to provide the Developer with incentives available for the development of the Project in said Middlefield Village Tare Creek Parkway Community Reinvestment Area under Chapter 3735 of the Ohio Revised Code; and

WHEREAS, the Developer has submitted a proposed agreement application (the "Application") to the Village;

WHEREAS, the Housing Office of the Village has investigated the Application of the Developer and has recommended the same to the Council of the Village on the basis that the Developer is qualified by financial responsibility and business experience to create and preserve employment opportunities in the Middlefield Village Tare Creek Parkway Community Reinvestment Area and improve the economic climate of the Village; and

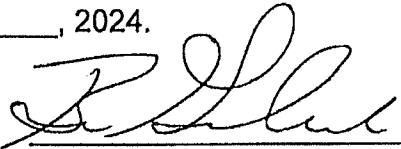
WHEREAS, the Village provided the Cardinal Local School District Board of Education notice of the project, including a copy of the proposed CRA Agreement, prior to formal adoption as required within ORC section 5709.83.

NOW, THEREFORE, BE IT ORDAINED by the Council of the Village of Middlefield, County of Geauga, and State of Ohio, that:


SECTION 1. Village Council hereby approves and authorizes the Village and its Mayor and Village Administrator to take any and all steps necessary to enter into a Community Reinvestment Area Compensation Agreement with Sherpa Development Company, LLC, to incentivize construction of the Project. A copy of the Community Reinvestment Area Compensation Agreement is attached hereto as Exhibit A and incorporated herein by reference as if fully rewritten.

SECTION 2. This Ordinance is hereby declared to be an emergency measure, necessary for the immediate preservation of the public peace, health and safety, so that Sherpa Development Company, LLC begin construction on the Project as soon as permits are issued, for the economic benefit of the community and to meet certain deadlines established in the Community Reinvestment Area Compensation Agreement. Therefore, this Ordinance shall take effect immediately upon its passage.

PASSED this 11 day of April, 2024.

  
\_\_\_\_\_  
MAYOR

\_\_\_\_\_  
PRESIDENT PRO TEMPORE

ATTEST:  
  
\_\_\_\_\_  
FISCAL OFFICER

## COMMUNITY REINVESTMENT AREA COMPENSATION AGREEMENT

This Community Reinvestment Area Compensation Agreement (the "Agreement") is made by and between the Village of Middlefield (the "Village"), an Ohio municipal corporation with its offices at 14860 N. State Avenue, Middlefield, OH 44062-1019 and Sherpa Development Company, LLC (the "Developer"), an Ohio limited liability company with its principal offices at 1015 Edison Street, Hartville, OH 44632.

**WHEREAS**, the Village encourages the development of real property and the acquisition of personal property located within the Village;

**WHEREAS**, the Village has prepared and approved a program known as the Middlefield Village Tare Creek Parkway Community Reinvestment Area program (hereafter referred to as the "Program") for the maintenance of existing structures and the construction of new structures to encourage economic stability, maintain real property values, and generate new employment opportunities, and Council for the Village made findings and determinations relative thereto, by Ordinance 24-103 passed March 14, 2024;

**WHEREAS**, such Program allows for the abatement of real property taxes on improvements made to property located within the Middlefield Village Tare Creek Parkway Community Reinvestment Area;

**WHEREAS**, the Village is engaged in and committed to carrying out the goals and objectives of the Program;

**WHEREAS**, Developer seeks to construct a Hartville Hardware and Lumber store including an 81,000 square foot building that includes 60,000 square feet of retail space, a 36,120 square foot lumber yard, three (3) 12,000 square foot enclosed storage buildings, a 5,490 square foot open-air storage barn, together with a parking lot to accommodate approximately 280 vehicles (the "Project");

**WHEREAS**, the Village having the appropriate authority for the stated type of Project seeks to provide the Developer with incentives available for the development of the Project in said Middlefield Village Tare Creek Parkway Community Reinvestment Area under Chapter 3735 of the Ohio Revised Code;

**WHEREAS**, the Developer has submitted a proposed agreement application herein attached as Exhibit A and referred to as the "Application," to the Village;

**WHEREAS**, the Developer has remitted the required state application fee to the Ohio Department of Development with the Application to be forwarded to said Department with a copy of the final Agreement;

**WHEREAS**, the Housing Office of the Village has investigated the Application of the  
(01694399v1 )

Developer and has recommended the same to the Council of the Village on the basis that the Developer is qualified by financial responsibility and business experience to create and preserve employment opportunities in the Middlefield Village Tare Creek Parkway Community Reinvestment Area and improve the economic climate of the Village;

**WHEREAS**, the Village provided the Cardinal Local School District Board of Education notice of the project prior to formal adoption as required within ORC section 5709.83;

**WHEREAS**, Pursuant to Section 3735.67 and in conformance with the format requirements of Section 3725.671 of the Ohio Revised Code, the parties hereto desire to set forth their agreement with respect to matters hereinafter contained;

**WHEREAS**, effective \_\_\_\_\_, 2024, the Director of the Ohio Development Services Agency determined the area designated by the municipality within Ordinance No. 24-103 contains the characteristics set forth in Section 3735.66 of the ORC and certified the area as a Community Reinvestment Area; and

**WHEREAS**, the municipality has acted pursuant ORC Section 3735.65 - 3735.70 within Ordinance No. \_\_ adopted April 11, 2024 to authorize this Agreement and to thereby grant a tax exemption to Developer;

**NOW THEREFORE**, in consideration of the foregoing and of the mutual promises, covenants and agreements hereinafter set forth, the receipt and sufficiency of which are acknowledged by the parties, the Village and the Developer now agree as follows:

**SECTION 1. Construction of Improvements.**

- (a) The Developer shall construct a Hartville Hardware and Lumber store including an 81,000 square foot building that includes 60,000 square feet of retail space, a 36,120 square foot lumber yard, three (3) 12,00 square foot enclosed storage buildings, a 5,490 square foot open-air storage barn, and a parking lot to accommodate approximately 280 vehicles (the "Project"). The Project is to be constructed on vacant land located in the Village of Middlefield known as 15260 Kinsman Road, Permanent Parcel Nos. 19-072930; 19-072931 and 19-072866 (collectively, the "Property"). A description of Property is set forth in Exhibit A hereto, which is incorporated herein by reference as if fully rewritten.
- (b) The Project will involve a total investment by the Developer of approximately Twenty Two Million Five Hundred Thousand and 00/100 Dollars (\$22,500,000.00), comprised of at least Fifteen Million and 00/100 Dollars (\$15,000,000) in infrastructure improvements and an additional Seven Million Five Hundred Thousand and 00/100 Dollars (\$7,500,000) in personal property, equipment and/or inventory, plus or minus ten percent for improvements at the Property.

- (c) In accordance with local and state laws, major modifications, as long as constructed in accordance with plans submitted as part of the application, must be approved by the Village, which approval will not be unreasonably withheld or delayed. The Project will begin in April, 2024, and all acquisition, construction, and installation will be completed on or about September, 2025.
- (d) All improvements constructed on the Property shall be developed and redeveloped in accordance with all applicable zoning requirements, building codes, and pursuant to this Agreement, and shall be principally for commercial purposes, parking, and other matters as more fully described in this Agreement.

**SECTION 2. Responsibilities of Developer.**

- (a) The Developer hereby agrees that it will occupy, and that it will make a reasonable effort to prevent the occupancy by others of any portion of the Property for other than legal purposes or in a manner which would violate any federal, state, or local law applicable thereto.
- (b) The Developer shall build the Project in accordance with the plans and specifications on hand with the Village and/or Geauga County. In accordance with applicable local and state laws, any major modifications must be approved by the Village, which approval shall not be unreasonably withheld or delayed. All improvements shall be designed and built in a quality manner commensurate with other Hartville Hardware sites. For purposes of this Agreement, a "major modification" shall mean any material change in the approved site plan.
- (c) The Developer agrees that it will cooperate with the Village in coordinating its construction schedule, the flow of traffic to and from the Property, in a manner to ensure that traffic flow from the Project onto the adjacent public streets is handled in such a manner so as to minimize disruption of normal traffic patterns, to minimize (to the extent reasonably possible) the movement of the construction trucks in residential areas, and to promote the best traffic flow from the Property onto the adjacent public streets. The Developer will further cooperate by meeting any conditions placed upon the Project by the Village's Planning & Zoning Commission.
- (d) The Developer agrees to properly maintain and repair the Project throughout the period of tax exemption authorized herein. The Developer will allow the Housing Officer or Housing Officer's designee to enter upon and to inspect the Property as reasonably required and in accordance with Section 3735.68 of the Ohio Revised Code and applicable Village ordinances.

**SECTION 3. Jobs to be Created and/or Maintained by the Developer.**

- (a) Developer shall cause permanent full-time jobs and permanent part-time jobs to be

added to the Project on the Property in accordance with the following schedule. Permanent full-time jobs shall be at the wage rate of \$40,000.00/year on average, and permanent part-time jobs shall be at the wage rate of \$20,000.00/year on average. The parties agree that the wage rates set forth above are estimates and do not establish minimum thresholds. The schedule below sets forth non-binding projections.

2025	Q1	Q2	Q3	Q4	Total
New Full Time Permanent Jobs	1	1	1	2	5
New Part Time Permanent Jobs	—	—	—	—	—
2026	Q1	Q2	Q3	Q4	Total
New Full Time Permanent Jobs	1	1	1	2	5
New Part Time Permanent Jobs	—	—	—	—	—

(b) In addition to the jobs created pursuant to Section 3(a) above, the Developer shall continue to employ a workforce in Middlefield as set forth below:

	HH Payroll	Leased Payroll	Total
Full Time	21	13	34
Part Time	8	1	9
Total	29	14	43
2023 Gross	\$1,374,507	\$735,128	\$2,109,635

**SECTION 4. Tax Exemption Application, Fee, and Review.**

- (a) The Developer shall file appropriate tax forms with the County Auditor to effect and maintain the Exemptions covered in this Agreement.
- (b) The Developer shall provide to the proper Tax Incentive Review Council any information reasonably required by such Council to evaluate the compliance with the Agreement, including returns filed pursuant to Section 5711.02 of the Ohio Revised Code if requested by the Council.
- (c) The Developer shall pay any real and tangible personal property taxes assessed on the Project that are not exempted under the Agreement and shall file all tax reports and returns as required by law. If the Developer fails to pay such taxes or file such returns and reports and fails to remedy such failure in a reasonable time, all incentives granted under this Agreement may be rescinded beginning with the year for which such taxes are not paid or such reports or returns are not filed and thereafter the Village 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.
- (d) As required by Section 3735.671(E) of the Ohio Revised Code if the Developer discontinues operations at the Project prior to the expiration of the term of this Agreement, Developer, any successor in interest, and any related member shall not enter into an agreement under this section or Section 5709.62, 5709.63, or 5709.632 of the Ohio Revised Code.

**SECTION 5. Responsibilities of the Village**

- (a) The Village of Middlefield hereby grants the Developer a tax exemption for real property improvements made to the Project pursuant to Section 3735.67 of the Ohio Revised Code and shall be in the following amounts: seventy-five (75%) percent of the real property improvements created by the Project for a period of 10 years (hereinafter called the "Exemption"). The Exemption commences the first year that the Property would first be taxable were it not exempt from taxation pursuant to this Agreement; provided, however, that the Exemption shall not commence after January 1, 2026, nor extend beyond January 1, 2036.
- (b) The Village 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 documents and providing any necessary certificates required in connection with such exemption.

**SECTION 6. Continuation of the Agreement**

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 Village revokes designation of the zone, entitlements granted under this Agreement shall continue for the number of years specified under this Agreement, unless the Developer materially fails to fulfill its obligations under this Agreement and the Village terminates or modifies the exemption from the taxation granted under this Agreement.

**SECTION 7. Certification of Taxes Paid**

- (a) The Developer hereby certifies that at the time this Agreement is executed, the Developer 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 the Developer is liable under Chapters 5733, 5735, 5739, 5741, 5743, 5747, or 5753 of the Ohio Revised Code, or, if such taxes are owed, the Developer 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 the Developer. 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.
- (b) The Developer affirmatively covenants that, to its knowledge, 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 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.

**SECTION 8. Default/Cure**

- (a) If the Developer materially fails to fulfill its obligations under this Agreement, or if the Village determines that the certification as to delinquent taxes required by this Agreement or the covenant of satisfaction of tax and other obligations is fraudulent, the Village may terminate or modify the exemptions from taxation granted or authorized under this Agreement. A modification of exemption may be in the form of reduction in the number of years that the eligible property is exempt and/or a reduction in the exemption percentage.
- (b) Exemptions from taxation granted under this Agreement shall be revoked if it is determined that the Developer, any successor property owner, or any related member, as those terms are defined in Section 3735.671 of the Ohio Revised Code, has violated the prohibition against entering into this Agreement under Division (E) of Section 3735.671 or Section 5709.62 or 5709.63 of the Ohio Revised Code prior to the time prescribed by that division or either of those sections.
- (c) Prior to such termination, modification, or payment requirement, the Village shall give

the Developer written notice and thirty (30) days to cure the breach or to show cause why it should not be deemed in default.

- (d) In the event of termination or modification of this Agreement, the Village is authorized to notify the appropriate taxing authorities in order to effect the termination or modification.
- (e) If payment for previously exempt taxes is required by the Village under this section, such amount shall be paid as directed by the Village within thirty (30) days of written demand. Amounts due and not paid when due shall bear interest at the rate specified in Section 1343.03(A) of the Ohio Revised Code.

#### **SECTION 9. Miscellaneous**

- (a) The Developer and the Village acknowledge that this Agreement must be approved by formal action of the Council of the Village as a condition for the Agreement to take effect. This Agreement takes effect upon such approval.
- (b) The Developer acknowledges that the exemption authorized in this Agreement is subject to approval and implementation by the appropriate State and/or county taxing authorities. The Developer acknowledges that the Village does not give any guarantee or assurance that the exemptions approved in this Agreement will be so approved, and the Developer agrees in no event shall the Developer seek to hold the Village liable in any way in the event such exemptions are not granted and implemented.
- (c) The Village represents that this Agreement is in material compliance with the Program and that the Village has the power to enter into this Agreement and carry out the full obligations hereunder.
- (d) The Village desires to ensure recipients of the Community Reinvestment Area tax benefits practice non-discriminating hiring in its operations. By executing this Agreement, the Developer is committing to follow non-discriminatory hiring practices and acknowledging that no individual may be denied employment solely on the basis of race, religion, sex, disability, color, national origin, sexual orientation, or ancestry.
- (e) The Developer affirmatively covenants that it has made no false statements to the State or Village in the process of obtaining approval of the Program incentives. If any representative of the Developer has knowingly made a false statement to the State or Village to obtain the Community Reinvestment Area incentives, the Developer shall be required to immediately return all benefits received under the Community Reinvestment Area Agreement pursuant to Ohio Revised Code Section 9.66 and shall be ineligible for any future economic development assistance from the State, any state agency or political subdivision pursuant to Ohio Revised Code Section 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 Ohio Revised Code Section 2921.13(D)(1), which is punishable by a fine of not more than \$1,000 and/or a term of imprisonment of not more than six months.

- (f) Unless otherwise specified herein, each party agrees to address written notices, demands, and communications in connection with this Agreement to the other party as follows:

To the Village:

Village of Middlefield  
14860 N. State Avenue  
Middlefield, OH 44062-1019  
Attn: Village Administrator

To the Developer:

Sherpa Development Company, LLC  
1015 Edison Street  
Hartville, OH 44632  
Attn: Gary Sommers

- (g) This Agreement is not transferable or assignable without the express written approval of the Village.
- (h) During construction, Developer agrees to acknowledge the support of the Village on construction, and exhibition signage for the Project. In identifying the Village as a project partner, the Developer shall use the phrase, "Project Assistance by the Village of Middlefield.
- (i) The Developer agrees that no officer, employee, or agent of the Village who exercises any functions or responsibilities in connection with the planning and carrying out of the Project, nor any immediate family member, close business associate, or organization which is about to employ any such person, shall have any personal financial interest, direct, or indirect, in the Developer or in this Agreement and the Developer shall take appropriate steps to assure compliance.
- (j) This Agreement may be modified or amended only by a written agreement duly executed by the parties hereto or their representatives.
- (k) This Agreement shall be severable, if any part or parts of this Agreement shall for any reason be held invalid or unenforceable by a court of competent jurisdiction, all remaining parts shall remain binding and in full force and effect.

- (l) This Agreement shall be construed in a manner that a waiver of any breach of any provision of this Agreement shall not constitute or operate as a waiver of any other breach of such provision or of any other provision, nor shall any failure to enforce any provision hereof operate as waiver of such provision or of any other provision.
- (m) This Agreement constitutes the entire agreement between the Village and the Developer with respect to the subject matter herein, superseding any prior or contemporaneous agreement with respect thereto. No amendment or modification of this Agreement shall be binding upon the parties unless made in writing and signed by both the Village and the Developer.

IN WITNESS WHEREOF, the said parties have hereto set their hands by their duly authorized offices, and affixed the seals of said parties, this 12<sup>th</sup> day of April, 2024.

SHERPA DEVELOPMENT  
COMPANY, LLC

By: \_\_\_\_\_

GARY SOMMERS

Printed Name

Managing Member

Title

VILLAGE OF MIDDLEFIELD

By: \_\_\_\_\_

Ben Garlich  
Mayor

By: \_\_\_\_\_

Joe Tuchofski  
Police Chief-Service Director

By: \_\_\_\_\_

Leslie McCoy  
Housing Officer/Village  
Administrator

APPROVED AS TO FORM:

By: \_\_\_\_\_

John J. Phelan  
Solicitor

EXHIBIT A

Property Description

Geauga County Permanent Parcel Nos.

19-072930 (annexation accepted 3-14-2024)

19-072931 (annexation accepted 3-14-2024)

19-072866

(Property description to be included)