



PROPOSED AGREEMENT for Community Reinvestment Area Tax Incentives between the City of Willowick, located in the County of Lake and Derek Michael Jones.

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

31222 Vine, LLC
Enterprise Name

Derek M. Jones
Contact Person

4034 Skiff St. Willoughby, Ohio 44094
Address

216-972-0058
Telephone Number

-
- b. Project site:

31222 Vine St. Willowick, Ohio 44095
Address

Derek M. Jones
Contact Person

216-972-0058
Telephone Number

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

I will be moving my Cleveland Pizza delivery & carryout business currently located at 29810 Lakeshore Blvd. Willowick, Ohio 44095, expanding it into a full-service bar and restaurant while also moving our Corporate Office located at 4034 Skiff St. Willoughby, Ohio 44094, and our Commissary located at 31128 Vine Str into the same building

- b. List primary 6-digit North American Industry Classification System (NAICS) # 722511

Business may list other relevant SIC numbers.

2045, 2099, 5812

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

No assets will be consolidated as the assets are already maintained within the City of Willowick corporate limits. However, the company will move employment for the CEO/President, Marketing Director, District Manager, Commissary Manager, Three Full Time Commissary Employees, Social Media Manager, and Maintenance Manager along with the expansion of owned assets

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

Corporation

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

Derek M Jones

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

There are currently 40 employees, employed by the company that will work at the proposed site.

- b. Will the project involve the relocation of employment positions or assets from one Ohio location to another? Yes X No

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: from 4034 Skiff St., Willoughby, Ohio 44094 to 31222 Vine St., Willowick, Ohio 44095

- d. State the enterprise's current employment level in Ohio (itemized for full and part-time and permanent and temporary employees): The company currently employs 72 residents of Ohio. 26 full-time, and 44 part time. All employees are permanent.

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

- 28910 Lakeshore Blvd, Willowick, OH 44095 – 33 employees: 9 FT, 24 PT
- 31128 Vine St., Willowick, OH 44095 – 4 employees: 4 FT
- 4034 Skiff St., Willoughby, OH 44094 – 5 employees: 4 FT, 1 PT

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

The City of Willowick will have no net impact. The City of Willoughby will have a net impact of 5 employees with a payroll of approximately \$250,000.

5. Does the Property Owner owe:

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

Yes ___ No X

b. Any moneys to the State or a state agency for the administration or enforcement of any environmental laws of the State? Yes ___ No X

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 X

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:

We plan to redevelop 31222 Vine St. to house Cleveland Pizza, a limited service business as well as co-branding a full-service bar and restaurant, with an outdoor patio. We are also going to consolidate our corporate office and commissary into the facility, as well.

7. Project will begin June 1, 2021 and be completed April 1, 2022 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):

Cleveland Pizza Co – 8 employees: 3 FT, 5 PT

Commissary – 3 employees: 3 FT

Bar/Restaurant – 20 employees: 8 FT, 12 PT

- b. State the time frame of this projected hiring: **1 year.**
- c. State proposed schedule for hiring (itemize by full and part-time and permanent and temporary employees):
- | | | |
|---------------------|----------------------|----------------------|
| Years 1-5: | Full time – 7 | Part Time - 8 |
| Years 6-10: | Full time – 7 | Part Time - 8 |
| Years 11-15: | Full Time – 0 | Part Time - 0 |

- a. Estimate the amount of new annual payroll such new employees will add (must be itemized by full, part-time, permanent and temporary new employees): **\$850,000**
Full Time – 14 employees at an average of \$37,000/year
Part Time – 17 employees at an average of \$20,000/year

- b. Indicate separately the amount of existing annual payroll relating to any job retention claim resulting from the project: **\$850,000**

10. An estimate of the amount to be invested by the enterprise to establish, expand, renovate or occupy a facility:
- | | |
|--|--------------------------|
| A. Acquisition of Buildings: | \$ 250,000 |
| B. Additions/New Construction: | \$ 100,000 |
| C. Improvements to existing buildings: | <u>\$ 650,000</u> |
| Total New Project Investment: | \$1,000,000 |

11. a. Business requests the following tax exemption incentives on the improvements, (be specific as to the rate, and term), as described above:
50% for 15 years covering improvements on real property.

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

The business is requesting the above tax incentive as it's investing a large sum of capital into a dilapidated building that requires ore work than many other businesses would be willing to take on. By investing into this property, Vine Street will receive a much-needed investment to assist in the vitality of the entire street. In part, due to COVID, the cost of construction has jumped considerably, as compared to when the project preparation begun. This situation has created an adverse situation, and now could jeopardize the project without the assistance of the CRA tax incentive. The tax incentive will allow for our business to not only invest in the property, but will also allow our business to invest in employees, greatly increasing the city's income tax revenue.

Submission of this application expressly authorizes the City of Wickliffe 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.

31222 Vine, LLC

Derek M. Jones

Name of Property Owner

03/04/2021

Date


Signature

President

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 Development Services Agency within fifteen (15) days of final approval.