Resolution 14-26

A Resolution authorizing the Director of Safety and Service to enter into a contract to provide for tax abatement for real property for Top Hat LLC, and declaring an Emergency.

BE IT RESOLVED by the Council of the City of Orrville, Ohio:

Section 1: That the Director of Safety and Service is hereby authorized to enter into a contract to provide for tax abatement for real property for Top Hat LLC in substantially the Form attached hereto and made a part hereof and marked Exhibit A.

Section 2: That this Resolution is hereby declared an Emergency measure necessary for the immediate preservation of the public peace, health and safety of said City and for the further reason that it is necessary to create and preserve job opportunities, to eliminate unemployment and other negative conditions resulting from unemployment; therefore, this Resolution shall be in effect immediately after its passage and approval by the Mayor.

Passed this 6 *day of* April, *2026.*

Paul Yanuzzi
President of Council

Attest:

Jeanne Gault
Clerk of Council

Approved:

Matthew Pfahl
Mayor, City of Orrville

04-06-2026
Date

I, Jeanne Gault, Clerk of Council of the City of Orrville do hereby certify this legislation _____ adopted on_____was duly posted on_____ within 10 days as required by the Charter of said City.

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"), Top Hat LLC, with its main offices located at 2100 West High Street, Orrville, Ohio 44667 (hereinafter referred to as "TOP HAT"), , 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, TOP HAT is desirous of converting 2,613 square feet of office space to restaurant and entertainment space at 234 West Market Street, Orrville, Ohio, (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 TOP HAT with incentives available for the development of the PROJECT in said Community Reinvestment Area under Chapter 3735 of the Ohio Revised Code; and

WHEREAS, TOP HAT has submitted a proposed agreement application (herein attached as Exhibit A) to ORRVILLE said application (hereinafter referred to as "Application"); and

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

Exhibit A

WHEREAS, the project site proposed by TOP HAT 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 ORC 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 ORC 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. TOP HAT shall convert a 2,613 square foot downtown building to house restaurant and entertainment space at 234 West Market Street, Orrville, Ohio. Said facility is located on PPN 59-00724.000, the same is known and designed on the Wayne County Auditor's revised list of lots in the 2nd ward of Orrville, Ohio.

   The PROJECT will involve a total investment by TOP HAT of $835,000 (Eight hundred thirty five thousand dollars), plus or minus 10% at 234 West Market Street. Included in this investment are $335,000 for land acquisition, $500,000 for improvements to existing buildings, $0 to purchase first used machinery and equipment, $0 for furniture and fixtures, and $0 for new inventory.

   The PROJECT will begin April 15, 2026 and all acquisition, construction, and installation will be completed by December 31, 2026.

2. TOP HAT and Brick Street Kitchen & Taproom shall retain within a time period not exceeding 36 (thirty-six) months after the commencement of construction of the aforesaid facility, equivalent of two (2) full-time permanent job opportunities, 0 (zero) part-time permanent job opportunities, 0 (zero) full-time temporary job opportunities, and 0 (zero) part-time temporary job opportunities.

3. TOP HAT currently has zero full-time permanent employees, 0 (zero) part-time permanent employees, 0 (zero) full-time temporary employees, and 0 (zero) part-time temporary employees at the project site. In total, TOP HAT has zero full-time permanent employees, zero part-time permanent employees, zero full-time temporary employees, and zero part-time temporary employees in the State of Ohio.

   TOP HAT and Brick Street Kitchen & Taproom 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. TOP HAT 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.

4. TOP HAT 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, TOP HAT agrees to continue in operation for at least one additional year for each year for which abatement is granted.

5. ORRVILLE hereby grants TOP HAT 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:

Year of Tax Exemption	Tax Exemption Amount
Years 1 – 10	50%

   Each identified project improvement will receive a (10) ten 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 2027 nor extend beyond 2037.

6. TOP HAT 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 December 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.

7. TOP HAT 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 TOP HAT 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.

8. TOP HAT 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.

9. 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 TOP HAT materially fails to fulfill its obligations under this Agreement and ORRVILLE terminates or modifies the exemptions from taxation granted under this Agreement.

10. If TOP HAT 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, TOP HAT shall make such repayment within thirty (30) days.

11. TOP HAT hereby certifies that at the time of this Agreement is executed, TOP HAT 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 TOP HAT is liable under Chapter 5733., 5735., 5739., 5741., 5743., 5747., or 5753. of the Ohio Revised Code, or, if such delinquent taxes are owed, TOP HAT 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 TOP HAT. 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 Ohio Revised Code governing payment of those taxes.

12. TOP HAT affirmatively covenants that they do 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.

13. TOP HAT 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.

14. 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, TOP HAT 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.

15. Exemptions from taxation granted under this Agreement shall be revoked if it is determined that TOP HAT, 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 5709.63of the Ohio Revised Code prior to the time prescribed by that division or either of those sections.

16. TOP HAT affirmatively covenants that they have 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 TOP HAT has knowingly made a false statement to the State or local political subdivision to obtain the Community Reinvestment Area incentives, TOP HAT 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.

17. This Agreement is not transferable or assignable without the express, written approval of the Council of the City of Orrville.

18. ORRVILLE acknowledges that in order to develop and finalize this Agreement, TOP HAT has disclosed to ORRVILLE certain information determined to be proprietary by TOP HAT. 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 TOP HAT'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 TOP HAT of the requirement to make such disclosure and to fully cooperate with TOP HAT in any procedures permitted by law to limit such disclosure.

IN WITNESS WHEREOF, the City of Orrville, Ohio by Steven. M. Wheeler, its Safety – Service Director, and pursuant to Resolution No. XX-26 has caused this instrument to be executed this _____ day of April, 2026 and Top Hat LLC by Ryan McAllister, has caused this instrument to be executed this _____ day of April, 2026.

THE CITY OF ORRVILLE, OHIO

By: _____
Steven M. Wheeler, Safety Service Director

TOP HAT LLC

By: _____
Ryan McAllister

Approved as to form:

_____
Cheryl Kirkbride, Law Director

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