

CITY OF OBETZ
RECORD OF ORDINANCES



ORDINANCE: 52 – 21

PASSED: _____

AN ORDINANCE DECLARING IMPROVEMENTS TO CERTAIN PARCELS OF REAL PROPERTY LOCATED WITHIN THE CITY OF OBETZ TO BE A PUBLIC PURPOSE AND EXEMPT FROM REAL PROPERTY TAXATION; REQUIRING THE OWNERS OF THOSE PARCELS TO MAKE SERVICE PAYMENTS IN LIEU OF TAXES; ESTABLISHING MUNICIPAL PUBLIC IMPROVEMENT TAX INCREMENT EQUIVALENT FUNDS FOR THE DEPOSIT OF THOSE SERVICE PAYMENTS; SPECIFYING THE PUBLIC INFRASTRUCTURE IMPROVEMENTS TO BE MADE THAT DIRECTLY BENEFIT SUCH REAL PROPERTY; AUTHORIZING THE DISTRIBUTION OF THE APPLICABLE PORTION OF THOSE SERVICE PAYMENTS TO THE HAMILTON LOCAL SCHOOL DISTRICT, GROVEPORT MADISON LOCAL SCHOOL DISTRICT, AND EASTLAND-FAIRFIELD CAREER AND TECHNICAL SCHOOL DISTRICT; APPROVING AND AUTHORIZING THE EXECUTION OF TAX INCREMENT FINANCING AGREEMENTS; AND DECLARING AN EMERGENCY

WHEREAS, Sections 5709.40, 5709.42 and 5709.43 of the Ohio Revised Code (collectively, the "TIF Statutes") authorize this Council, by ordinance, to declare improvements to parcels of real property located within the corporate boundaries of the City of Obetz, Ohio (the "City") to be a public purpose and exempt from taxation, require the owner of each such parcel to make service payments in lieu of taxes, provide for the distribution of the applicable portion of such service payments to the City, local or exempted City school districts, establish a municipal public improvement tax increment equivalent fund for the deposit of the remainder of those service payments, and specify public infrastructure improvements made, to be made or in the process of being made that directly benefit, or that once made will directly benefit, such parcels; and,

WHEREAS, the parcels of real property identified and depicted in Exhibit A-1 attached hereto are located in the City (with each of those parcels, as now or hereafter configured, referred to herein individually as "Molto Parcel" and collectively as the "Molto Parcels"), and this Council has determined to declare the Improvement (as defined in Section 1 of this Ordinance) to the Property to be a public purpose; and,

WHEREAS, the parcels of real property identified and depicted in Exhibit A-2 attached hereto are located in the City (with each of those parcels, as now or hereafter configured, referred to herein individually as "Redwood Parcel" and collectively as the "Redwood Parcels," together with the Molto Parcels, the "Parcels"), and this Council has determined to declare the Improvement (as defined in Section 1 of this Ordinance) to the Property to be a public purpose; and,

WHEREAS, this Council has determined that it is necessary and appropriate and in the best interest of the City to exempt from taxation one hundred percent (100%) of the Improvement to the Molto Parcels as permitted and provided in Section 5709.40(B) of the Ohio Revised Code for up to thirty (30) years (together, the "Molto TIF Exemption"); and,

WHEREAS, this Council has determined that it is necessary and appropriate and in the best interest of the City to exempt from taxation one hundred percent (100%) of the Improvement to the Redwood Parcels as permitted and provided in Section 5709.40(B) of the Ohio Revised Code for up to thirty (30) years (together, the "Redwood TIF Exemption," together with the Molto TIF Exemption, the "TIF Exemption"); and,

WHEREAS, in accordance with the Tax Increment Financing Agreements authorized herein, this Council has determined to direct and require the current and future owner(s) of Parcels (each such owner individually, an "Owner," and collectively, the "Owners") to make annual Service Payments (as defined in Section 3 of this Ordinance) with respect to the Parcels in lieu of the real property tax payments, and in the same amount as they would have made real property tax payments except for the exemption provided by this Ordinance; provided that the TIF Exemption and the obligation to make Service Payments is subject and subordinate to any exemptions applicable to the Improvement approved by the City pursuant to Section 3735.65 through 3735.70 of the Ohio Revised Code; and,

WHEREAS, notice of this proposed Ordinance has been delivered to the Board of Education of Hamilton Local School District (the "Hamilton School District"), to the Board of Education of Groveport Madison Local School District (the "Groveport Madison School District," together with the Hamilton School District, the "School District"), and Eastland-Fairfield Career and Technical School District (the "JVSD") in accordance with and within the time periods prescribed in Sections 5709.40, as applicable, and 5709.83 of the Ohio Revised Code; and,

WHEREAS, the Council has determined that a portion of the Service Payments shall be directly paid to the School District and the JVSD in an amount equal to the real property taxes that would have been payable to the School District and the JVSD if the Improvements to the Parcels located in the School District and the JVSD had not been exempt from taxation pursuant to this Ordinance; and,

WHEREAS, this Council has also determined to provide for the construction of additional public infrastructure improvements described in Exhibit B attached hereto (the "Public Infrastructure Improvements"), as further provided in the Tax Increment Financing Agreements authorized herein, which Public Infrastructure Improvements, once made, will directly benefit the Parcels; and,

WHEREAS, the City anticipates that Toy Road LLC (the "Molto Developer") will construct or cause to be constructed light industrial facilities upon the Parcels thus enhancing real property values and providing for additional employment opportunities (the "Molto Project"); and,

WHEREAS, the City anticipates that Redwood Obetz Groveport Road OH P1 LLC (the “Redwood Developer,” together with the Redwood Developer, the “Developer”) will construct or cause to be constructed 165 units of multi-family apartments and development upon the Parcels thus enhancing real property values and providing for additional employment and housing opportunities (the “Redwood Project,” together with the Molto Project, the “Project”); and,

WHEREAS, the City, by its Ordinance No. 45-07 passed December 27, 2007, designated an area located within the municipality the “Stambaugh Community Reinvestment Area,” as amended by Ordinance No. 21-21 passed May 10, 2021 (the “Stambaugh CRA”); and,

WHEREAS, the Molto Project is located within the Stambaugh CRA; and,

WHEREAS, the Stambaugh CRA provides for real property tax exemptions for fifteen years (15) of one hundred percent (100%) of the value of the commercial and/or industrial structures and related site improvements to be developed within the Stambaugh CRA (the “CRA Exemption”).

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF OBETZ, OHIO, THAT:

Section 1. Authorization of Tax Exemption; Duration of Tax Exemption. Pursuant to and in accordance with the provisions of Section 5709.40(B) of the Ohio Revised Code, this Council finds and determines that one hundred percent (100%) of the increase in assessed value of each respective Parcel subsequent to the effective date of this ordinance (which increase in assessed value is hereinafter referred to as the “Improvement,” as defined in Section 5709.40(A) of the Ohio Revised Code) is hereby declared to be a public purpose and shall be exempt from taxation for a period commencing tax year 2022 (such commencement date hereinafter referred to as the “Commencement Date”), and ending for such parcel on the earlier of (a) thirty (30) years after such commencement or (b) the date on which the City can no longer require service payments in lieu of taxes, all in accordance with the requirements of the TIF Statutes. Notwithstanding any other provision of the TIF Agreement (as defined in Section 6 hereof) or this Ordinance, the Molto TIF Exemption granted pursuant to this Section 1 and the payment obligations established pursuant to Section 3 of this Ordinance, are subject and subordinate to the CRA Exemption.

Section 2. Public Infrastructure Improvements. This Council designates the Public Infrastructure Improvements described in Exhibit B attached hereto, and any other public infrastructure improvements hereafter designated by ordinance as public infrastructure improvements, as public infrastructure improvements made, to be made, or in the process of being made by the City or the Developer that directly benefit, or that once made will directly benefit, the Parcels.

Section 3. Service Payments and Property Tax Rollback Payments. Pursuant to Section 5709.42 of the Ohio Revised Code, this Council directs and requires the owner of each Parcel to make annual service payments in lieu of taxes with respect to the Improvement allocable thereto to the Franklin County Treasurer (the “County Treasurer”) on or before the final dates for payment of real property taxes. Each service payment in lieu of taxes, including any penalties and interest

at the then current rate established under Sections 323.121 and 5703.47 of the Ohio Revised Code (collectively, the “Service Payments”), will be charged and collected in the same manner and in the same amount as the real property taxes that would have been charged and payable against the Improvement if it were not exempt from taxation pursuant to Section 1 of this Ordinance. The Service Payments, and any other payments with respect to each Improvement that are received by the County Treasurer in connection with the reduction required by Sections 319.302, 321.24, 323.152 and 323.156 of the Ohio Revised Code, as the same may be amended from time to time, or any successor provisions thereto as the same may be amended from time to time (the “Property Tax Rollback Payments”), will be allocated and distributed in accordance with Section 5 of this Ordinance.

Section 4. Tax Increment Equivalent Funds. This Council establishes, pursuant to and in accordance with the provisions of Section 5709.43 of the Ohio Revised Code, the Molto Municipal Public Improvement Tax Increment Equivalent Fund (the “Molto TIF Fund”) and the Redwood Municipal Public Improvement Tax Increment Equivalent Fund (the “Redwood TIF Fund,” together with the Molto TIF Fund, the “TIF Fund”), into which the County Treasurer will deposit the Service Payments and Property Tax Rollback Payments collected with respect to the Parcels and not required to be distributed to the School District or the JVSD pursuant to Section 5 of this Ordinance. The TIF Fund will be maintained in the custody of the City. The City may use amounts deposited into the TIF Fund only for the purposes authorized in the TIF Statutes and this Ordinance. The TIF Fund will exist so long as such Service Payments and Property Tax Rollback Payments are collected and used for the aforesaid purposes, after which time the TIF Fund will be dissolved and any surplus funds remaining therein transferred to the City’s General Fund, all in accordance with Section 5709.43 of the Ohio Revised Code.

Section 5. Distribution of TIF Revenues. Pursuant to the TIF Statutes, the County Treasurer is requested to distribute the Service Payments and the Property Tax Rollback Payments as follows:

- (i) to the School District and the JVSD, an amount equal to the amount the School District and the JVSD would otherwise have received as real property tax payments (including the applicable portion of any Property Tax Rollback Payments) derived from the Improvements to the Parcels located within each such school district’s boundaries if the Improvement had not been exempt from taxation pursuant to this Ordinance; and
- (ii) to the City, all remaining amounts for further deposit into TIF Fund for payment of costs of the Public Infrastructure Improvements, including debt service on any securities issued to finance those costs.

Section 6. Tax Increment Financing Agreements. The form of Molto Tax Increment Financing Agreement (the “Molto TIF Agreement”) and the form of the Redwood Tax Increment Financing Agreement (the “Redwood TIF Agreement,” together with the Molto TIF Agreement, the “TIF Agreement”) presently on file with the Clerk of Council is hereby approved and authorized with changes and completions thereto that are not inconsistent with this Ordinance, not substantially

adverse to the City and approved by the Mayor and the City Solicitor. The Mayor, for and in the name of the City, is hereby authorized to execute and deliver the TIF Agreement in substantially that form along with any changes or completions thereto, provided that the approval of such changes and completions thereto by the Mayor, and the character of those changes and completions as not being substantially adverse to the City, will be evidenced conclusively by the Mayor’s execution thereof.

Section 7. Tax Exemption Priority. This Council finds and determines that the TIF Exemption and the obligation to make Service Payments are subject and subordinate to any tax exemption applicable to the Improvement pursuant to Sections 3735.65 through 3735.70, 4582.46, 5709.12 or 5709.61 through 5709.69 of the Ohio Revised Code, including the CRA Exemption.

Section 8. Further Authorizations. This Council authorizes and directs the Mayor, the Finance Director, the City Solicitor, the Clerk of Council or other appropriate officers of the City to make such arrangements as are necessary and proper for collection of the Service Payments from the owner of each Parcel, including the preparation and filing of any necessary exemption applications. This Council further authorizes and directs those officers or other appropriate officers of the City to prepare and sign all agreements and instruments and to take any other actions as may be appropriate to implement this ordinance and the TIF Agreement.

Section 9. Non-Discriminatory Hiring Policy. In accordance with Section 5709.832 of the Ohio Revised Code, this Council hereby determines that no employer located upon any Parcel shall deny any individual employment based solely on the basis of race, religion, sex, disability, color, national origin or ancestry.

Section 10. Open Meetings. This Council finds and determines that all formal actions of this Council and any of its committees concerning and relating to the passage of this ordinance were taken in an open meeting of this Council and any of its committees, and that all deliberations of this Council and any of its committees that resulted in those formal actions were in meetings open to the public, all in compliance with the law including Section 121.22 of the Ohio Revised Code.

Section 11. Effective Date. This Ordinance is hereby declared to be an emergency measure necessary for the preservation of the public peace, health and safety of the City and its inhabitants for the reason that this Ordinance must be immediately effective so that the work can begin on the construction of the Public Infrastructure Improvements, WHEREFORE, this Ordinance shall take effect and be in force from and immediately after its adoption.

Passed this _____ day of _____, 2021.

ORDINANCE: 52 – 21

PASSED: _____

ATTESTS:

Stacey Boumis, Clerk of Council

Angela M. Kirk, Mayor

Derek Varney, Council President Pro Tem

APPROVED AS TO FORM

Eugene L. Hollins, Esq., Law Director

CERTIFICATION OF PUBLICATION

Pursuant to the City Charter, I, Stacey E. Boumis, Clerk of Council of the City of Obetz, Ohio, do hereby certify that Ordinance _____ was duly posted at _____ (time) on the _____ day of _____, 2021, at the Obetz Government Center, Obetz Athletic Club, and Obetz Community Center as well as on the Obetz website.

Stacey Boumis, Clerk

Date

EXHIBIT A-1

IDENTIFICATION AND MAP OF THE MOLTO PARCELS

The outlined area on the following map specifically identifies and depicts the Molto Parcels (No. 152-002156-00) and constitutes part of this Exhibit A1.

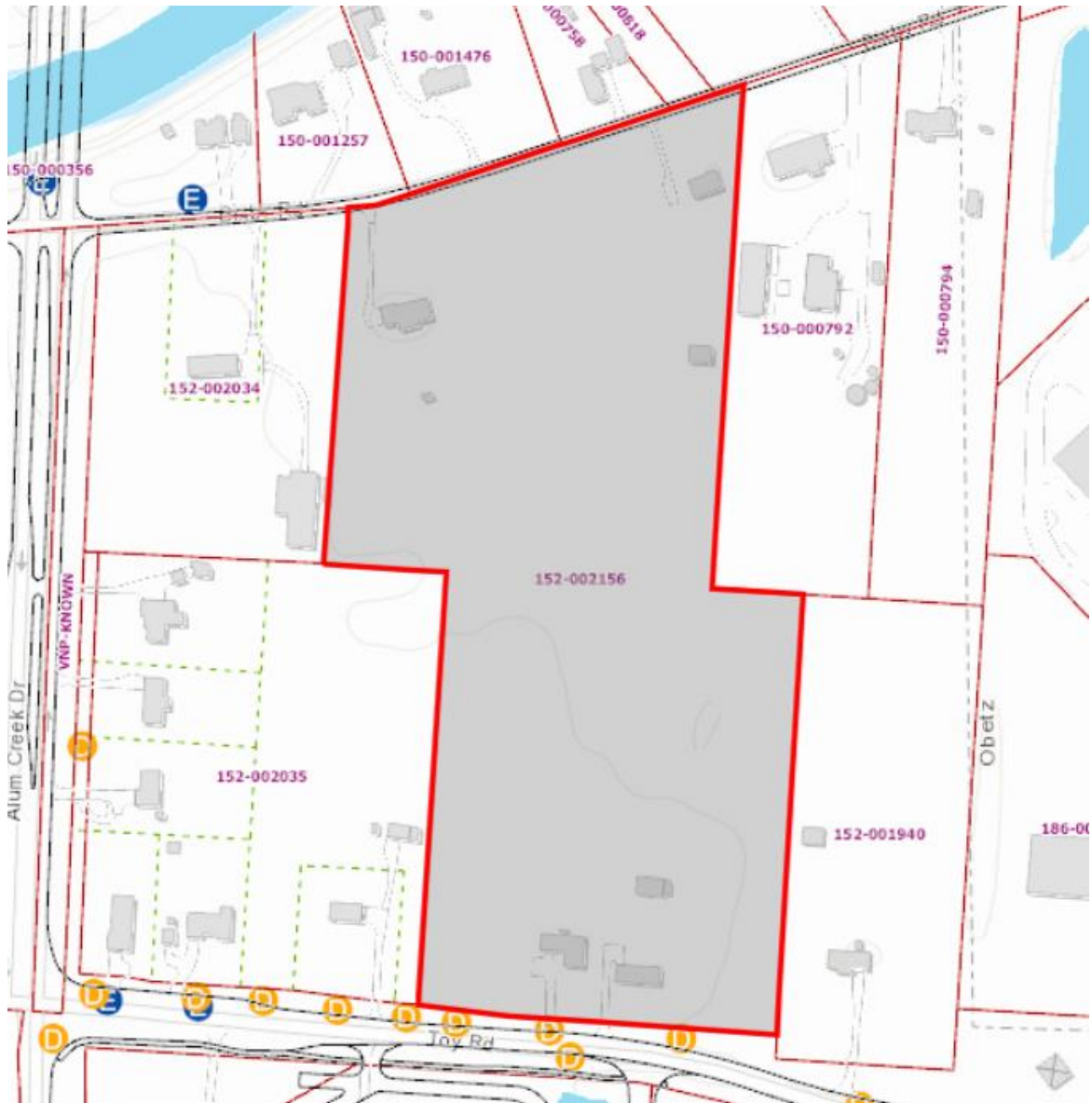


EXHIBIT A-2

IDENTIFICATION AND MAP OF THE REDWOOD PARCELS

The outlined area on the following map specifically identifies and depicts the Redwood Parcels (No. 186-002023-00) and constitutes part of this Exhibit A2.



EXHIBIT B

PUBLIC INFRASTRUCTURE IMPROVEMENTS

The Public Infrastructure Improvements consist of (i) **Bixby Road Improvement project** and all other improvements related thereto, including, but not limited, to the provision of gas, electric, and communications facilities, (ii) **Toy Road Improvement project** and all other improvements related thereto, including, but not limited, to the provision of gas, electric, and communications facilities, (iii) **Groveport Road Improvement project** and all other improvements related thereto, including, but not limited, to the provision of gas, electric, and communications facilities, (iv) **Alum Creek Drive Improvement project** and all other improvements related thereto, including, but not limited, to the provision of gas, electric, and communications facilities, (v) and any “**public infrastructure improvement**” defined under Section 5709.40(A)(7) of the Ohio Revised Code and that directly benefits or serves parcels in the Incentive District and specifically include, but are not limited to, the “Public Infrastructure Improvements” described in the TIF Agreement (as may be amended from time to time) and any of the following improvements that will benefit or serve parcels in the Incentive District and all related costs of those permanent improvements (including, but not limited to, those costs listed in Section 133.15(B) of the Ohio Revised Code):

- **Parks.** Construction or reconstruction of one or more public parks, including grading, trees and other park plantings, park accessories and related improvements, together with all appurtenances thereto;
- **Roadways.** Construction, reconstruction, extension, opening, improving, widening, grading, draining, curbing or changing of the lines and traffic patterns of roads, highways, streets, intersections, bridges (both roadway and pedestrian), sidewalks, bikeways, medians and viaducts accessible to and serving the public, and providing signage (including traffic signage and informational/promotional signage), lighting systems, signalization, and traffic controls, and all other appurtenances thereto;
- **Streetscape/Landscape.** Construction or installation of streetscape and landscape improvements including trees, tree grates, signage, curbs, sidewalks, scenic fencing, street and sidewalk lighting, trash receptacles, benches, newspaper racks, burial of overhead utility lines and related improvements, together with all appurtenances thereto, including, but not limited to streetscape improvements in conjunction with and along the roadway improvements described in “Roadways” above;
- **Water/Sewer.** Construction, reconstruction or installation of public utility improvements (including any underground municipally owned utilities), storm and sanitary sewers (including necessary site grading therefore), water and fire protection systems, and all appurtenances thereto;
- **Stormwater.** Construction, reconstruction and installation of stormwater and flood remediation projects and facilities, including such projects and facilities on private property when determined to be necessary for public health, safety and welfare;

- **Gas/Electric/Communications:** Construction, reconstruction or installation of gas, electric, and communications service facilities, including the provision of gas or electric service facilities owned by nongovernmental entities when such improvements are determined to be necessary for economic development purposes;
- **Real Estate.** Acquisition of real estate or interests in real estate (including easements) (a) necessary to accomplish any of the foregoing improvements or (b) in aid of industry, commerce, distribution or research; and
- **Professional Services.** Engineering, consulting, legal, administrative, and other professional services associated with the planning, design, acquisition, construction and installation of the foregoing improvements and real estate.