

ORDINANCE NO. C-42-15

AN ORDINANCE DECLARING THE IMPROVEMENT TO CERTAIN PARCELS OF REAL PROPERTY TO BE A PUBLIC PURPOSE AND EXEMPT FROM TAXATION; PROVIDING FOR THE COLLECTION AND DEPOSIT OF SERVICE PAYMENTS; AND SPECIFYING THE PURPOSES FOR WHICH THOSE SERVICE PAYMENTS MAY BE EXPENDED

WHEREAS, the City has prepared a strategy for comprehensive development for the area within the City's Town Center known as the "Lumberyard" (which area is referred to herein as the "*Project Site*") and has endeavored to work collaboratively with public entities, including the Southwestern City School District, and private entities to plan for and facilitate the development of the Project Site; and

WHEREAS, the City's strategy for development within the Town Center generally, and the Lumberyard in particular, is primarily focused on creating a new, more urban core for the City, including a dynamic mix of commercial and residential development types; and

WHEREAS, Pizzuti GCA LLC has proposed to enter into a development agreement with the City which will generally provide for the redevelopment of the Parcels (as defined in Section 1) and the construction of a redevelopment project consisting of commercial apartment buildings and related improvements; and

WHEREAS, to facilitate redevelopment of the Project Site and the Project, this Council has determined pursuant to Ohio Revised Code Sections 5709.41, 5709.42 and 5709.43 (collectively, the "*TIF Statutes*") to declare the improvement to the Project Site to be a public purpose and exempt from taxation, require the owner of the Project Site to make service payments in lieu of taxes, establish an urban redevelopment tax increment equivalent fund for the deposit of the those service payments, specify the purposes for which money in that fund will be expended, and provide for the distribution of an applicable portion of such service payments to the Southwestern City School District; and

WHEREAS, as required by the TIF Statutes, the City acquired fee title to the Parcels prior to enacting this Ordinance and has or will transfer title to the Parcels to Pizzuti GCA LLC or its designee for the development of the Project; and

WHEREAS, the Board of Education of the Southwestern City School District has heretofore adopted a resolution waiving the provision of certain notices, approving the tax exemption provided herein, authorizing an agreement between the City and the Southwestern City School District providing for certain payments to the Southwestern City School District (the "*Revenue Sharing Agreement*") and making other findings with respect to the tax exemption and this ordinance;

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

SECTION 1. Parcels. The parcels of real property subject to the exemption granted by this ordinance are identified and depicted in **EXHIBIT A** attached hereto (each, as currently or subsequently configured, individually, a "*Parcel*" and collectively, the "*Parcels*"). This Council finds that the City acquired the Parcels while engaged in urban redevelopment.

SECTION 2. Urban Redevelopment Costs. Money deposited into the TIF Fund (as defined in Section 1) may be used to pay for or finance the costs of improvements to or on, or servicing, the Parcels or the Project, including but not limited to the acquisition of the Parcels, site preparation and construction of the Project, together with all necessary appurtenances and related costs, including but not limited to all costs enumerated in Ohio Revised Code Section 133.15(B), together with any other costs hereafter designated by ordinance (collectively, the "*Urban Redevelopment Costs*").

SECTION 3. Authorization of Tax Exemption. This Council hereby finds and determines that 100% of the increase in assessed value of each Parcel subsequent to the acquisition of that Parcel by the City (which increase in assessed value is hereinafter referred to as the “*Improvement*” as defined in Ohio Revised Code Section 5709.41) is hereby declared to be a public purpose and will be exempt from taxation for a period commencing on the effective date of this ordinance with respect to that Parcel and ending on the earlier of (a) 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 this ordinance, the exemption granted pursuant to this Section 3 and the payment obligations established pursuant to Section 4 of this ordinance are subject and subordinate to any tax exemption applicable to the Improvement approved by the City pursuant to Ohio Revised Code Sections 3735.65 through 3735.70.

SECTION 4. Service Payments and Property Tax Rollback Payments. Subject to any tax exemption applicable to the Improvement approved by the City pursuant to Ohio Revised Code Sections 3735.65 through 3735.70, and pursuant to Ohio Revised Code Section 5709.42, the owner of each Parcel is hereby required to and shall make annual service payments in lieu of taxes with respect to the Improvement to that Parcel to the Treasurer of Franklin County, Ohio (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 for real property taxes (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 subject to the exemption granted in 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 Ohio Revised Code Sections 319.302, 321.24, 323.152 and 323.156, 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 6 of this ordinance.

SECTION 5. TIF Fund. This Council hereby establishes, pursuant to and in accordance with the provisions of Ohio Revised Code Section 5709.43, the Lumberyard Urban Redevelopment Tax Increment Equivalent Fund (the “*TIF Fund*”). The TIF Fund shall be maintained in the custody of the City and shall receive all distributions to be made to the City pursuant to Section 6 of this ordinance. Those Service Payments and Property Tax Rollback Payments received by the City with respect to the Improvement of each Parcel and so deposited pursuant to Ohio Revised Code Section 5709.42 shall be used solely for the purposes authorized in the TIF Statutes or this ordinance. The TIF Fund shall remain in existence 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 shall be dissolved and any incidental surplus funds remaining therein transferred to the City's General Fund, all in accordance with Ohio Revised Code Section 5709.43.

SECTION 6. Distributions. Pursuant to the TIF Statutes, the County Treasurer is requested to distribute the Service Payments and Property Tax Rollback Payments to the City for further deposit into the TIF Fund and use for (a) payment of Urban Redevelopment Costs, including, without limitation, debt charges on any securities of the City issued to pay or reimburse financing costs or Urban Redevelopment Costs, (b) payment to the Southwestern City School District in accordance with the Revenue Sharing Agreement and (c) any other lawful purpose.

All distributions required under this Section are requested to be made at the same time and in the same manner as real property tax distributions.

SECTION 7. Further Authorizations. This Council hereby authorizes and directs the Mayor, the City Administrator, the Director of Finance, the Director of Law, the Clerk of Council or other appropriate officers of

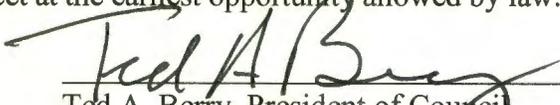
City to make such arrangements as are necessary and proper for collection of the Service Payments and the Property Tax Rollback Payments. This City Council further hereby authorizes and directs the City Administrator, the Director of Finance, the Director of Law, the Clerk of Council or other appropriate officers of the City to prepare and sign all documents and instruments and to take any other actions as may be appropriate to implement this ordinance, including without limitation the Revenue Sharing Agreement with the Southwestern City School District.

SECTION 8. Tax Incentive Review Council. The applicable Tax Incentive Review Council, with the membership of that Council to be constituted in accordance with Ohio Revised Code Section 5709.85, shall, in accordance with Ohio Revised Code Section 5709.85, review annually all exemptions from real property taxation granted by this ordinance and any other such matters as may properly come before that Council, all in accordance with Ohio Revised Code Section 5709.85.

SECTION 9. Filings with Ohio Development Services Agency. Pursuant to Ohio Revised Code Section 5709.41(E), the City Administrator is hereby directed to deliver a copy of this ordinance to the Director of the Ohio Development Services Agency within fifteen days after its effective date. Further, and on or before March 31 of each year that the tax exemption authorized by Section 3 remains in effect, the City Administrator or other authorized officer of the City is directed to prepare and submit to the Director of the Ohio Development Services Agency the status report required under Ohio Revised Code Section 5709.41(E).

SECTION 10. 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 City Council or 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 Ohio Revised Code Section 121.22.

SECTION 11. This Ordinance take effect at the earliest opportunity allowed by law.



Ted A. Berry, President of Council

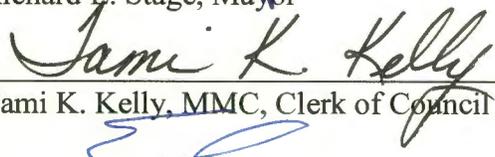
Passed: 08-17-15

Effective: 09-16-15



Richard L. Stage, Mayor

Attest:



Tami K. Kelly, MMC, Clerk of Council

I certify that this Ordinance is correctas to form.

Stephen J. Smith, Director of Law

EXHIBIT A

IDENTIFICATION AND MAP OF THE PARCELS

The shaded area on the following map specifically identifies and depicts the Parcels and constitutes part of this **EXHIBIT A**. The Parcels include, without limitation, the following tax parcels: 040-000102 and 040-000045 (partial) (as they existed in the County Auditor's records on July 10, 2015), and are included for ease of reference only.

[attached]

