



City of Gahanna
Signature Report
Ordinance

200 South Hamilton Road
Gahanna, Ohio 43230

FILE NO: 990164

Date Passed: 8/16/99

Date Effective: 8/19/99

Title

AN ORDINANCE DECLARING THE ESTABLISHMENT OF THE EASTGATE INDUSTRIAL CENTER TIF DISTRICT AND THAT IMPROVEMENTS TO REAL PROPERTY WITHIN THE DISTRICT ARE A PUBLIC PURPOSE; DESCRIBING PUBLIC INFRASTRUCTURE IMPROVEMENTS TO BE MADE TO BENEFIT THE DISTRICT; REQUIRING THE OWNERS OF THE PROPERTY WITHIN THE DISTRICT TO MAKE SERVICE PAYMENTS IN LIEU OF TAXES; ESTABLISHING A MUNICIPAL PUBLIC IMPROVEMENT TAX INCREMENT EQUIVALENT FUND FOR THE DEPOSIT OF SUCH SERVICE PAYMENTS; APPROVING AND AUTHORIZING THE EXECUTION OF TAX INCREMENT FINANCING AGREEMENTS AND AN INFRASTRUCTURE AGREEMENT; AND DECLARING AN EMERGENCY.

Body

WHEREAS, it has been and is in the best interests of the City to designate certain areas for commercial and other business development; and

WHEREAS, Ohio Revised Code Sections 5709.40, 5709.42 and 5709.43 provide that this Council may declare improvements to parcels of real property located in the City to be a public purpose, thereby exempting those improvements from real property taxation for a period of time; specify public infrastructure improvements to be made to benefit the parcels; provide for the making of service payments in lieu of taxes by the owners thereof; and establish a municipal public improvement tax increment equivalent fund into which such service payments shall be deposited; and

WHEREAS, in furtherance of the City's objectives and utilizing the powers conferred by the Ohio Revised Code, the City desires to further designate an area within the City as the "Eastgate Industrial Center TIF District" (a depiction of which is attached hereto as Exhibit A and referred to herein as the "TIF District", with the parcels comprising the real property within the TIF District referred to herein as the "Parcels" and, each individually as a "Parcel", and with the Parcels in the aggregate referred to herein as the "Property"); and

WHEREAS, the City previously designated all parcels within the TIF District as a Community Reinvestment Area (the "Eastgate CRA") within the meaning of Ohio Revised Code Sections 3735.65 through 3735.70 (collectively, the "CRA Statute") and provided that qualifying structures constructed within the Eastgate CRA would be eligible for 100% real property tax exemptions for up to 15 years (each qualifying structure is referred to herein as a "Tax Abated Improvement" for so long as it is exempted pursuant to the CRA Statute); and

WHEREAS, it is expected that the owners of the Parcels shall, and the City desires to encourage the owners to, make improvements to the Parcels consistent with the objectives stated herein; and

WHEREAS, this Council expects to make the public infrastructure improvements (as described in Exhibit B attached hereto and later defined herein as the Infrastructure Improvements), that once made would directly benefit the Property with all of the incremental demand placed upon the Infrastructure Improvements being directly attributable to the private improvements to be constructed on the Property; and

WHEREAS, the City has determined that it is necessary and appropriate and in the best interests of the City to provide pursuant to Section 5709.42 of the Ohio Revised Code for service payments in lieu of taxes with respect to each Improvement (as defined herein) of a Parcel constituting the Property; and

WHEREAS, this Council finds and determines that notice of this proposed Ordinance has been delivered to all affected school districts in accordance with Ohio Revised Code Sections 5709.40 and 5709.83 and hereby ratifies the giving of that notice; and

WHEREAS, this Council has determined that this Ordinance should be declared an emergency measure necessary for the immediate preservation of the public peace, property, health, safety or welfare of this City and for the further reason that this Ordinance is required to be immediately effective in order to provide for the funding for the Infrastructure Improvements so that the Infrastructure Improvements may be constructed as quickly as possible, thereby enhancing traffic safety;

NOW, THEREFORE, BE IT ORDAINED by the Council of the City of Gahanna, County of Franklin, State of Ohio, that:

Section 1. Authorization of Tax Exemption. Pursuant to and in accordance with the provisions of Ohio Revised Code Section 5709.40, the area of the City described in Exhibit A hereto is hereby designated as the "Eastgate Industrial Center TIF District". This Council hereby finds and determines that with respect to each Parcel, the increase in true value of that Parcel subsequent to the effective date of this Ordinance is hereby declared to be a public purpose and which increase in true value as it relates to each Parcel is hereinafter referred to as an "Improvement" as defined in Ohio Revised Code Section 5709.40 but which Improvement shall not include the increase in true value of any Tax Abated Improvement located upon such Parcel for so long as such Tax Abated Improvement is exempt pursuant to the CRA Statute.

The Improvement of each Parcel shall be exempt from taxation as provided for herein, all in accordance with the requirements of Ohio Revised Code Sections 5709.40 and 5709.42. Commencing with the first calendar year in respect of which an application for tax exemption for a Parcel is filed, 100% of the Improvement to that Parcel shall be exempt from taxation for a period of thirty (30) calendar years.

Section 2. Service Payments and Payments to School District; Tax Increment Financing Agreements. As provided in Ohio Revised Code Section 5709.42, each owner of a Parcel is hereby required to, and shall make, service payments in lieu of taxes with respect to the

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Improvements thereto to the County Treasurer on or before the final dates for payment of real property taxes. With respect to each Parcel for which a tax exemption is provided in Section 1, the service payments shall be distributed by the Franklin County Treasurer to the City for deposit into the Fund (as herein defined) and further credited as follows:

(a) During the first ten (10) calendar years of the exemption provided for in Section 1, the service payments received in respect of those ten (10) calendar years shall be credited to the accounts within the Fund as follows: (i) the portion of each service payment representing the amount which would have been received by the Gahanna Jefferson City School District (the "School District") if only 75% of the Improvement in respect of which the service payment was made was exempt from taxation, or such lesser amount as may be approved by the School District pursuant to Ohio Revised Code Section 5709.40, shall be deposited into the School Account (as hereinafter defined) and (ii) the remaining portion of any service payment shall be deposited into the City Account, and

(b) During the last twenty (20) calendar years of the exemption provided for in Section 1, the service payments received in respect of those twenty (20) calendar years shall be credited to the accounts within the Fund as follows: (i) the portion of each service payment representing the amount which would have been received by the Gahanna Jefferson City School District (the "School District") if the Improvement in respect of which the service payment was made was not exempt from taxation, or such lesser amount as may be approved by the School District pursuant to Ohio Revised Code Section 5709.40, shall be deposited into the School Account (as hereinafter defined) and (ii) the remaining portion of any service payment shall be deposited into the City Account.

Each service payment shall 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 each Parcel if it were not exempt from taxation pursuant to this Ordinance. The provisions of this Ordinance shall be fully effective as to each owner of a Parcel as of the effective date of this Ordinance as set forth in Section 9 hereof. The Mayor is authorized to, for and in the name of the City, execute a TIF Agreement in the form presently on file with the Clerk of Council, with such changes therein not inconsistent with this Ordinance and not substantially adverse to this City. This Council further authorizes the Mayor, for and in the name of the City, to execute any amendments to any TIF Agreements executed in accordance with the authority hereunder, which amendments are not inconsistent with this Ordinance and not substantially adverse to this City. This Council further hereby authorizes and directs the Mayor, the Clerk of Council, the Director of Development, the Director of Finance, or other appropriate officers of the City, to make such arrangements as are necessary and proper for collection from the owner of said Parcel service payments in lieu of taxes made with respect to Improvements on the Parcels constituting the Property and to apply such service payments in accordance with the applicable TIF Agreement and this Ordinance.

Section 3. Public Infrastructure Improvements and Infrastructure Agreement. The public infrastructure improvements set forth in Exhibit B hereto and to be made by the City are hereby designated as those public infrastructure improvements that directly benefit, or that once made will directly benefit, the Property (the "Infrastructure Improvements"). Pursuant to a Tax Increment Financing Agreement to be executed between Pizzuti Equities, Inc. or an affiliate (the "Developer") and the City (the "TIF Agreement"), the Developer will make or cause to be made the Infrastructure Improvements as provided in

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the Infrastructure Agreement (Eastgate Industrial Center Improvements) to be executed between the City and the Developer (the "Infrastructure Agreement"). Notwithstanding Sections 135.04 and 135.05 of the City's Codified Ordinances, the procurement of goods and services necessary for the construction and installation of the Infrastructure improvements and the execution of contracts in connection therewith shall be undertaken as set forth in the Infrastructure Agreement. That Infrastructure Agreement, in the form presently on file with the Clerk of Council and providing for the development of the Infrastructure Improvements and the payment of the costs of that development, is hereby approved and authorized with changes therein not inconsistent with this Ordinance and not substantially adverse to the City and which shall be approved by the Mayor. The Mayor, for and in the name of this City, is hereby authorized to execute that Infrastructure Agreement, provided further the approval of the changes thereto by the Mayor, and the character of the changes as not being substantially adverse to the City, shall be evidenced conclusively by the Mayor's execution thereof.

Section 4. Tax Increment Equivalent Fund. Pursuant to Ohio Revised Code Sections 5709.40 and 5709.42, this Council hereby establishes pursuant to and in accordance with the provisions of Section 5709.43 of the Ohio Revised Code, the Eastgate Industrial Center TIF District Municipal Public Improvement Tax Increment Equivalent Fund (the "Fund") and within the Fund there is hereby created the City Account (the "City Account") and the School Account (the "School Account"). The Fund shall be in custody of the City and shall receive all annual service payments in lieu of taxes in accordance with Section 2. Those annual service payments in lieu of taxes with respect to the Improvements on the Parcels constituting the Property, so deposited in the Fund and distributed by or on behalf of the County Treasurer pursuant to law as provided in Section 5709.42 of the Ohio Revised Code, shall be used solely for the purposes authorized in Ohio Revised Code Sections 5709.40, 5709.42 and 5709.43 and this Ordinance. The Fund shall remain in existence so long as such service payments are collected and used for the aforesaid purposes, after which said Fund shall be dissolved in accordance with said Section 5709.43.

Section 5. Tax Incentive Review Council. The City's prior creation of a Tax Incentive Review Council is hereby ratified and confirmed, with its membership to be as follows: three members appointed by the County Commissioners of Franklin County in accordance with Section 5709.85(A)(2) of the Revised Code; two members appointed by the Mayor with the concurrence of this Council; two members appointed by the Millin Township Board of Township Trustees; the Auditor of Franklin County or his/her designee; and an individual appointed by each of the Boards of Education of the Gahanna Jefferson City School District and the Eastland Vocational School District. That Council shall, in accordance with Section 5709.85 of the Ohio Revised Code, review annually the compliance of all agreements involving the granting of exemptions for real property improvements under Section 5709.40 of the Revised Code and make written recommendations to this Council for continuation, modification or cancellation of those agreements based upon the performance of each agreement.

Section 6. Filing with Ohio Department of Development. Pursuant to Section 5709.40 of the Ohio Revised Code, the Clerk of this Council is hereby directed to deliver a copy of this Ordinance to the Director of the Department of Development of the State of Ohio within fifteen days after its passage. On or before March 31 of each year that the exemption set forth in Section 1 hereof remains in effect, the Clerk or other authorized

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officer of this City shall prepare and submit to the Director of the Department of Development of the State of Ohio the status report required under Section 5709.40(E) of the Ohio Revised Code.

Section 7. Open Meetings. This Council finds and determines that all formal actions of this Council concerning and relating to the passage of this Ordinance were taken in an open meeting of this Council and that all deliberations of this Council that resulted in those formal actions were in meetings open to the public in compliance with the law.

Section 8. Further Authorizations. The Mayor or the Director of Development are each authorized to prepare and sign all agreements and instruments and to take any other actions as may be appropriate to implement this Ordinance.

Section 9. Effective Date. This Ordinance is declared to be an emergency measure necessary for the immediate preservation of the public peace, property, health, safety or welfare of this City and for the further reason that this Ordinance is required to be immediately effective in order to provide for the funding for the Infrastructure Improvements so that the Infrastructure Improvements may be constructed as quickly as possible, thereby enhancing traffic safety; wherefore, this Ordinance shall be in full force and effect immediately upon its passage.

Attachments:

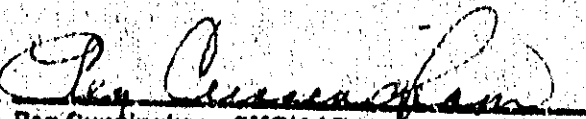
Exhibit A;
Exhibit B

This Ordinance Adopted as an Emergency this 16th day of August, 1999.

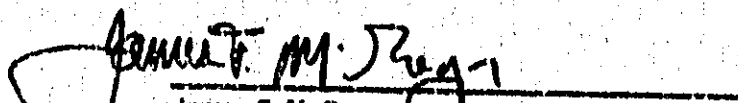
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Robert W. Kelley, President of Council

ATTESTED to and PRESENTED to the Mayor,
this 18th day of August, 1999.


Peg Cunningham, CMC/AAE
Clerk of Council

APPROVED by the Mayor, this
19th day of AUG. 1999.


James F. McGregor
Mayor

Approved as to form :

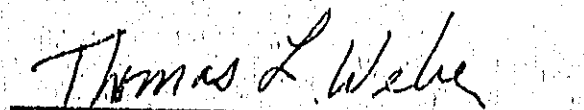

Thomas L. Weber
City Attorney

EXHIBIT A

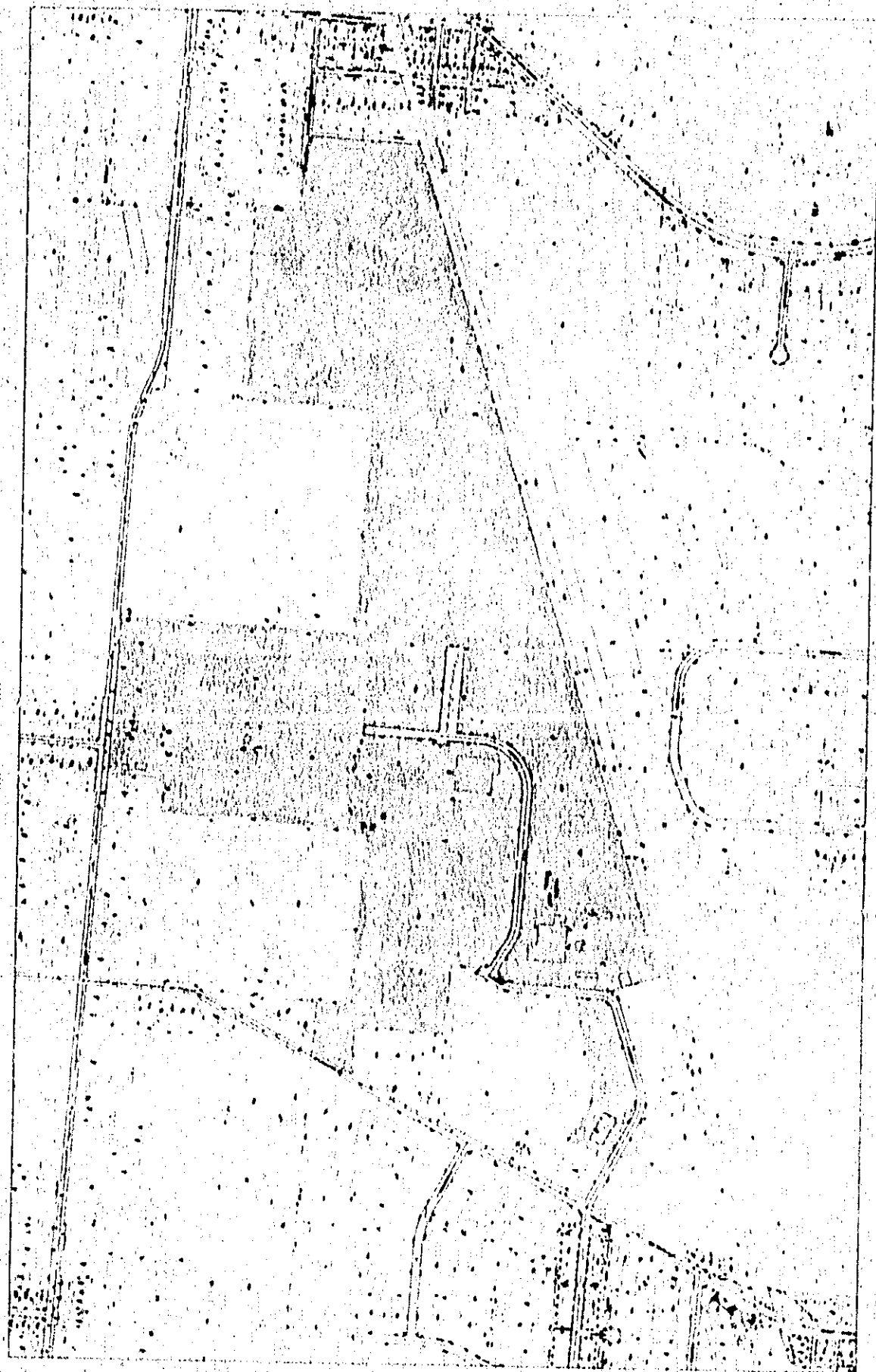


EXHIBIT B

DESCRIPTION OF INFRASTRUCTURE IMPROVEMENTS

The Infrastructure Improvements include the construction of approximately 6,000 lineal feet of roadway including lighting, approximately 6,000 lineal feet of sanitary sewer service, approximately 7,000 lineal feet of storm sewer improvements and related storm water retention basins, and the realignment and reconstruction of the existing water main, together with all necessary appurtenances.