

AN ORDINANCE CREATING AN INCENTIVE DISTRICT AND DECLARING IMPROVEMENTS TO CERTAIN PARCELS OF REAL PROPERTY TO BE A PUBLIC PURPOSE, DESCRIBING THE PUBLIC IMPROVEMENTS TO BE MADE TO DIRECTLY BENEFIT THOSE PARCELS, REQUIRING THE OWNERS OF THE IMPROVEMENTS THEREON 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 A COMPENSATION AGREEMENT WITH THE NORTH ROYALTON CITY SCHOOL DISTRICT AND RELATED AUTHORIZATIONS PURSUANT TO OHIO REVISED CODE SECTIONS 5709.40, 5709.42 AND 5709.43, AND DECLARING AN EMERGENCY

WHEREAS: Ohio Revised Code Sections 5709.40, 5709.42 and 5709.43 provide that this Council may describe public improvements to be made which directly benefit certain parcels, create an incentive district and declare Improvements (as defined in O.R.C. Section 5709.40) with respect to such parcels of real property located in the City to be a public purpose, thereby authorizing the exemption of those Improvements from real property taxation for a period of time, and provide for the making of service payments in lieu of taxes by the owner of such parcels, and establish a municipal public improvement tax increment equivalent fund into which such service payments shall be deposited; and

WHEREAS: The City Engineer has certified that the public infrastructure serving the proposed incentive district is inadequate to meet the development needs of the district as evidenced by a written economic development plan for the district that has been adopted by this Council; and

WHEREAS: This Council desires to make or cause to be made the public infrastructure improvements in the City described in Exhibit A hereto (the “Public Improvements”), that once made would directly benefit parcels located in the City and set forth in Exhibit B hereto (those parcels, excluding the portion thereof to be dedicated to the City or other public body for public improvements, are hereinafter referred to as the “Property”); and

WHEREAS: This Council has conducted a public hearing on the Ordinance after giving notice to the owners of real property within the proposed incentive district pursuant to Section 5709.40(C); and

WHEREAS: The City has determined that it is necessary and appropriate and in the best interests of the City to provide for service payments in lieu of taxes with respect to the Property pursuant to Section 5709.42 of the Ohio Revised Code; and

WHEREAS: The Property is located in the North Royalton City School District (the School District) and the _____ Joint Vocational School District, and both school districts have been provided notice in accordance with applicable provisions of the Revised Code.

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF NORTH ROYALTON, COUNTY OF CUYAHOGA AND STATE OF OHIO, THAT:

Section 1. The Public Improvements described in Exhibit A hereto intended to be made by the City are hereby designated as those Public Improvements that directly benefit, or that once made will directly benefit, the Property. Private Improvements constructed on the Property will place direct, additional demand on the Public Improvements, once completed. This Council hereby confirms that the Public Improvements are necessary for the public health, safety and welfare.

Section 2. Pursuant to and in accordance with the provisions of Ohio Revised Code Section 5709.40, there is hereby established an incentive district (the District), the boundaries of which are delineated in Exhibit B hereto. Pursuant to and in accordance with the provisions of Section 5709.40, this Council hereby finds and determines that 100% of the increase in the assessed value of the Property that would first appear on the tax list and duplicate of real and public utility property after the

effective date of this Ordinance (which increase in assessed value is herein referred to as the “Improvement” or “Improvements” as defined in said Section 5709.40) is a public purpose, and 100% of said Improvements is hereby declared to be a public purpose for a period of 30 years, such period being the life of the District, and exempt from taxation commencing with the tax year in which the Improvements first appear on the tax list and duplicate of real and public utility property after the effective date of this Ordinance and ending on the earlier of (1) the date the Improvements have been exempted from taxation for a period of 30 years or (2) the date on which the City has collected into the Fund established in Section 4 hereof a total amount of payments in lieu of taxes available for and sufficient (i) to pay costs of the Public Improvements, (ii) to pay the principal, interest and premium, if any, on financing for such costs of the Public Improvements, (iii) to reimburse the City for other City funds used by the City to pay such costs or such principal, interest or premium, prior to receipt of service payments in lieu of taxes, all as further provided in Section 4 hereof, or (iv) to make payments to the School District under the School Agreement defined in Section 5 hereof. It is hereby found and determined that the percentage exemption granted pursuant to this Ordinance for the Exempted Property (100%) does not exceed the estimated percentage of the incremental demand placed on the Public Improvements that is directly attributable to the Improvements.

Section 3. As provided in Section 5709.42 of the Revised Code, the owner or owners of the Improvements are hereby required to, and shall make, annual service payments in lieu of taxes to the County Treasurer on or before the final dates for payment of real property taxes, which service payments shall be deposited in the municipal public improvement tax increment equivalent fund established in Section 4 hereof. This Council hereby authorizes the Mayor, Director of Finance and Law Director, and other appropriate officers of the City, to provide such information and certifications, and execute and deliver or accept delivery of such instruments, as are necessary and incidental to collect those service payments in lieu of taxes, and to make such arrangements as are necessary and proper for payment of said service payments in lieu of taxes.

The use of service payments provided for in Section 5709.42 is hereby authorized for the purpose of housing renovations within the District (as that term is defined in Section 5709.40(A)(3)) with the public infrastructure improvements that benefit or service the District as designated in Exhibit A hereto and there being projects within the District which place real property in use for commercial or industrial purposes. The parcels that are eligible for housing renovations are those listed in Exhibit C hereto. The amounts or percentages of the expected aggregate service payments designated for each public infrastructure improvement and for the general purpose of housing renovations is as set forth on Exhibit D hereto.

Section 4. This Council hereby establishes pursuant to and in accordance with the provisions of Section 5709.43 of the Ohio Revised Code, the Public Improvement Tax Increment Equivalent Fund (the “Fund”), into which shall be deposited all of the service payments in lieu of taxes distributed to the City with respect to the Improvement on the Property, by or on behalf of the County Treasurer as provided in Section 5709.42 of the Ohio Revised Code, and hereby provides that all of the moneys deposited in the Fund shall be used for any or all of the following purposes:

- (i) to pay any and all acquisition, construction, installation, financing costs, and any and all other direct and indirect costs of the Public Improvements, including those costs set forth in Ohio Revised Code Section 133.15(B);
- (ii) to pay the interest on, principal of, and any premium on bonds or notes or other obligations, including refunding bonds or notes or other obligations, issued by the City or other governmental entity to finance costs of the Public Improvements until such notes or bonds or other obligations are paid in full;
- (iii) to reimburse the City for any funds used by the City to pay costs of the Public Improvements, or to pay interest, principal, or premium, on any of the aforesaid notes, bonds, loans or other obligations, prior to receipt of service payments in lieu of taxes as described in Section 3 hereof; and
- (iv) to pay the School District the amount owed under the School Agreement defined in Section 5 hereof.

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. The Mayor and Director of Finance are hereby authorized and directed to sign on behalf of the City, an agreement between the City and the School District providing for the payment by the City to the School District of a portion of the payments in lieu of taxes received by the City as described in Section 3 hereof (the School Agreement). The School Agreement shall be in

EXHIBIT A

DESCRIPTION OF THE PUBLIC IMPROVEMENTS

The anticipated Public Improvements include constructing, reconstructing, grading, draining, curbing, paving and otherwise improving streets and related improvements; constructing, reconstructing, installing and otherwise improving water system improvements, sanitary sewer system improvements, storm sewer system improvements, and gas, electric, communications and other related utility improvements; installing traffic signalization and related traffic control devices; constructing and equipping civic buildings and related structures; acquiring related interests in real property; and including site preparation, landscaping, demolition, environmental remediation and other site improvements; and including all necessary appurtenances thereto.

EXHIBIT B
BOUNDARIES OF AND PROPERTIES
WITHIN INCENTIVE DISTRICT

EXHIBIT C

**PARCELS WITHIN INCENTIVE DISTRICT
ELIGIBLE FOR HOUSING RENOVATIONS**

EXHIBIT D

**EXPECTED AGGREGATE SERVICE PAYMENTS
FOR PUBLIC INFRASTRUCTURE IMPROVEMENTS
AND HOUSING RENOVATIONS**