

ORDINANCE NO. 2016-16

DECLARING THE IMPROVEMENT TO CERTAIN PARCELS FOR THE BRANDT ROAD AREA 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, Ohio Revised Code (“ORC”) Sections 5709.40, 5709.42, and 5709.43 (collectively, the “*TIF Statutes*”) authorize this Council, by ordinance, to declare the improvement to parcels of real property located within the City to be a public purpose and exempt from taxation, require the owner of each parcel to make service payments in lieu of taxes, establish a municipal public improvement tax increment equivalent fund for the deposit of the those service payments, and specify the purposes for which money in that fund will be expended; and

WHEREAS, the City desires to implement a tax increment financing program on the Parcels (as defined in Section 1) pursuant to the TIF Statutes to enable the development of a hotel and other commercial development (the “Project”); and

WHEREAS, notice of this proposed ordinance has been delivered to the Board of Education of the Galion City School District and the Pioneer Joint Vocational School District in accordance with and within the time periods prescribed in ORC Sections 5709.40 and 5709.83;

NOW, THEREFORE, BE IT ORDAINED by the Council of the City of Galion, Crawford and Richland Counties, Ohio, that:

Section 1. Parcels. The real property subject to this ordinance is identified and depicted on **Exhibit A** (as currently or subsequently configured, the “*Parcels*”, with each individual parcel a “*Parcel*”).

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

Section 3. Exemption. This Council hereby finds and determines that 75% of the increase in assessed value of each Parcel subsequent to the effective date of this ordinance (which increase in assessed value is hereinafter referred to as the “*Improvement*” as defined in ORC Section 5709.40(A)) is hereby declared to be a public purpose and will be exempt from taxation for a period commencing on the date an Improvement attributable to a new structure on that Parcel first appears on the tax list and duplicate were it not for the exemption granted in this ordinance and ending on the earlier of (a) 10 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.

Section 4. Service Payments. As provided in ORC Section 5709.42, the owner of each Parcel is hereby required to make service payments in lieu of taxes with respect to the Improvement allocable to each Parcel to the Crawford County Treasurer on or before the final dates for payment of real property taxes. The service payments in lieu of taxes 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 collected against that Improvement if it were not exempt from taxation pursuant to Section 3, including any penalties and interest (collectively, the “*Service Payments*”). 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 ORC 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 deposited and distributed in accordance with Section 6.

Section 5. TIF Fund. This Council establishes, pursuant to and in accordance with the provisions of ORC Section 5709.43, the Brandt Road Area Municipal Public Improvement Tax Increment Equivalent Fund (the “*TIF Fund*”), into which the Service Payments and Property Tax Rollback Payments collected with respect to the Parcels will be deposited. 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 (as it may be amended). The TIF Fund will remain in existence so long as the 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 ORC Section 5709.43.

Section 6. Distributions; Payment of Costs. Pursuant to the TIF Statutes, the County Treasurer is requested to distribute the Service Payments and Property Tax Rollback Payments to the City for deposit into the TIF Fund. Money deposited into the TIF Fund shall be used to pay or reimburse costs of the Public Infrastructure Improvements, including, without limitation, payment of reimbursements to the City's General Fund or payment of debt charges on any notes or bonds of the City issued to pay or reimburse costs of the Public Infrastructure Improvements. 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 Director of Law, the City Treasurer, and the City Auditor, or other appropriate officers of the City to deliver a copy of this ordinance to the Ohio Development Service Agency and to make such arrangements as are necessary and proper for collection of the Service Payments. This Council further authorizes the Mayor, the Director of Law, the City Treasurer, and the City Auditor, 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.

Section 8. 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 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 ORC Section 121.22.

Section 9. Effective Date. This Ordinance shall be in full force and effect on the earliest date permitted by law.

Carl W. Watt
Carl W. Watt, President of Council

ATTEST:

Julie L. Bell
Julie L. Bell, Clerk of Council

APPROVED AS TO FORM: Thomas N. Palmer
Thomas N. Palmer, Law Director

PRESENTED TO MAYOR ON: 3-23-16

APPROVED: Thomas M. O'Leary 3-23-16
THOMAS M. O'LEARY, MAYOR (Date)

ADOPTED ON FIRST READING 3-22-16
DATE

ADOPTED ON SECOND READING _____
DATE

ADOPTED ON THIRD READING _____
DATE

VOTE ON FINAL READING

	<u>YEA</u>	<u>NAY</u>
MR. BALDINGER	✓	—
MS. BEAN	Absent	—
MS. CLARK	✓	—
MR. FELLNER	✓	—
MR. HEDGES	✓	—
MR. TRIPLETT	✓	—

I, Julie L. Bell, Clerk of Galion City Council hereby certify that this is a true and correct copy of Ordinance No. 2016-~~16~~ passed by Galion City Council at a Regular Meeting held on March 22, 2016.

Julie L. Bell
Julie L. Bell, Clerk of Council

EXHIBIT A
IDENTIFICATION AND MAP OF THE PARCELS

The shaded area [(in yellow in color copies of this map)] on the following map specifically identifies and depicts the Parcels and constitutes part of this Exhibit A. The following Parcel numbers are as of March 31, 2016, and are for ease of reference only.

Parcel Numbers:

49-00-06415-001

49-00-06416-000

49-00-06423-000

[City to provide map]

EXHIBIT B
PUBLIC INFRASTRUCTURE IMPROVEMENTS

The Public Infrastructure Improvements include the following improvements and all related costs of those improvements (including, but not limited to, those costs listed in Section 133.15(B) of the Ohio Revised Code):

- **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, including, without limitation, the construction of approximately 300 lineal feet of roadway to access Brandt Road including the costs to widen and improve the intersection of State Route 598 and Brandt Road and costs to construct and add three lanes and turn lanes;
- **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, including the construction of approximately 500 lineal feet of sanitary sewer and the installation of a lift station along State Route 598 and Brandt Road;
- **Environmental/Health.** Implementation of environmental remediation measures necessary to enable the Project and the construction of public health facilities;
- **Utilities.** Construction, reconstruction or installation of gas, electric and communication service facilities and all appurtenances thereto;
- **Stormwater.** Construction, reconstruction and installation of stormwater and flood remediation and drainage projects and facilities, including such projects and facilities on private property when determined to be necessary for public health, safety and welfare;
- **Demolition.** Demolition, including demolition on private property when determined to be necessary for public health, safety and welfare;
- **Parks.** Construction or reconstruction of one or more public parks, including grading, trees and other park plantings, park accessories and related improvements, multi-use trails and bridges, together with all appurtenances thereto, including, without limitation, improvements to parkland and multi-use trails within or proximate to the Parcels;
- **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;

- **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; including, but not limited to, the purchase of parkland; 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.