Introduced by \_\_\_\_\_\_\_\_\_\_

Motioned by \_\_\_\_\_\_\_\_\_\_\_

Seconded by \_\_\_\_\_\_\_\_\_\_\_

1st Reading \_\_\_\_\_\_\_\_\_\_\_\_

2nd Reading \_\_\_\_\_\_\_\_\_\_\_

Third Reading \_\_\_\_\_\_\_\_\_\_

Under suspension \_\_\_\_\_\_\_

ORDINANCE NO. 2020 - 16

INTRODUCED BY MAYOR AND COUNCIL AS A WHOLE

**AN EMERGENCY ORDINANCE DETERMINING THE PERIOD OF TAX EXEMPTION FOR AN IMPROVEMENT TO REAL PROPERTY OWNED BY** **BUGARCIC, JULIA & SVELTANA, LOCATED PIN OAKWOOD COMMUNITY REINVESTMENT AREA NO. 1 AND AUTHORIZING THE MAYOR TO ENTER INTO A MUNICIPAL REVENUE SHARING AGREEMENT WITH THE BEDFORD CITY SCHOOLS DISTRICT**

**WHEREAS**, The Mayor, as Housing Officer, certifies that the improvement to the commercial property in Oakwood Community Reinvestment Area No. 1, owned by Bugarcic, Julia & Sveltana qualifies for real property tax exemption under Ordinance 1991-72, as amended by Ordinances 1996-61 and 2001-22; and

**WHEREAS,** The Mayor, as Housing Officer, has given notice to the Board of Education in the school district in which the proposed tax exempted property is located pursuant to Section 5709.83 of the Ohio Revised Code; and

**WHEREAS,** Council must determine the period of such exemption:

**NOW, THEREFORE, BE IT ORDAINED** by the Council of the Village of Oakwood, County of Cuyahoga, and State of Ohio, that:

**SECTION 1**. To the extent that the improvements to the real property located at 26481 Broadway Avenue, also known as Permanent Parcel No. 795-36-002, which is located within the Village of Oakwood, and within Oakwood Community Reinvestment Area No. 1, and is owned by Bugarcic, Julia & Sveltana, or its successor **(s)** in interest, increase the market value of the real property improvements, such amount shall be, and hereby is, exempt from real property taxation pursuant to Ordinance 1991-72, as amended by Ordinances 1996-61 and 2001-22, and Section 3735.67(D)(3) of the Ohio Revised Code for a period of fifteen (15) years, beginning in the year following the calendar year of certification of the above to the County Auditor by the Village Housing Officer. Said exemption shall cover Eighty percent (80%) of the dollar amount by which the improvements increased the market value of the real property improvements. Any additional development on the balance of Permanent Parcel No. 795-36-002 similar in nature to that presently proposed will be granted similar incentives provided such development occurs within five (5) years of the adoption of this Ordinance. In addition, all tap-in, permit and review fees, as well as the abatement application fee, shall be waived for the construction of this facility within the Village of Oakwood, Ohio.

**SECTION 2**. The period of said exemption shall terminate before the end of fifteen (15) years, but after the first year of exemption, if the Housing Officer finds and certifies delinquency in a payment of property taxes for the subject property, or that the subject property has not been maintained or repaired due to the negligence of the owner.

**SECTION 3**. Bugarcic, Julia & Sveltana agrees to donate the sum of $5,000.00 per year for ongoing support of the Bedford City School District levy campaigns. Oakwood Hospitality LLC agrees to make fourteen (14) yearly installments commencing on June the 1st of the second year for which Bugarcic, Julia & Sveltana receives a tax abatement as provided herein.

**SECTION 4**. In the event Bugarcic, Julia & Sveltana, or its successor**(s)** in interest, fail to construct the building indicated in its application, which application is attached hereto, expressly made a part hereof by reference and marked Exhibit "A", within eighteen months of the date of this Ordinance, this exemption shall become null and void, and Bugarcic, Julia & Sveltana, or its successor(s) in interest, shall for any reason cease operations of the building contemplated hereunder, it shall reimburse, to the County Auditor, for proper distribution, an amount equal to 100% of the tax incentive dollars they have saved as a result of this Ordinance to the point operations have ceased.

**SECTION 5.** In the event the real property tax, as it is presently constituted, is eliminated by the State of Ohio and if a new tax, in whatever for, replaces said property tax and, in the further event abatement from the payment of the new tax is permitted by applicable law, the Village of Oakwood agrees to allow for the substitution of this abatement for an abatement of the new tax in the same proportion and for the remaining duration of the existing abatement, provided this situation is permitted, in whole or in part, by State and/or local laws, and is approved by any governmental entity having jurisdiction over such matters, including, but not limited to, the local School Board.

**SECTION 6**. A Municipal Income Tax Revenue Sharing Agreement between the Village of Oakwood and the Bedford City Schools District, a copy of which is attached hereto, expressly made a part hereof by reference and marked Exhibit "B", is hereby approved. The Mayor be and he is hereby authorized to execute such Agreement on behalf of the Village.

**SECTION 7**. This Ordinance is hereby declared to be an emergency measure necessary for the immediate preservation of the public peace, health, safety and welfare of the inhabitants of the Village, the reason for the emergency being that the same relates to the daily operation of a municipal department, therefore, provided it receives two-thirds (⅔) of the vote of all members of Council elected thereto, said Ordinance shall be in full force and effect immediately upon its adoption by this Council and approval by the Mayor, otherwise from and after the earliest period allowed by law.

PASSED:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Johnnie A. Warren, President of Council

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Debra L. Hladky, Clerk of Council

Presented to the

Mayor \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Approved: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Mayor, Gary V. Gottschalk

I, Debra L. Hladky, Clerk of Council of the Village of Oakwood, County of Cuyahoga and State of Ohio, do hereby certify that the foregoing Ordinance No. 2020 –16 was duly and regularly passed by this Council at the meeting held on the \_\_\_\_\_ day of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, 2020.

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Debra L. Hladky, Clerk of Council

**POSTING CERTIFICATE**

I, Debra L. Hladky, Clerk of Council of the Village of Oakwood, County of Cuyahoga and State of Ohio, do hereby certify that Ordinance No. 2020 - 16 was duly posted on the \_\_\_\_\_ day of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, 2020, and will remain posted for a period of fifteen (15) days thereafter in the Council Chambers and in not less than five (5) of the most public places in the municipality as determined by the Council of the said Village.

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Debra L. Hladky, Clerk of Council

DATED: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**EXHIBIT A**

(Insert Actual Application)

**EXHIBIT B**

**MUNICIPAL INCOME TAX REVENUE SHARING AGREEMENT**

This Agreement is made this \_\_\_\_\_\_ day of \_\_\_\_\_\_\_\_\_\_\_\_\_\_, 2020 by and between the Village of Oakwood (the “Village”) and the Bedford City Schools District (the “District”).

**W I T N E S S E T H:**

**WHEREAS**, the Village may, under the authority of the Ohio Revised Code, grant an exemption from taxation for real property as a result of certain development occurring in the Village’s Community Reinvestment Area; and

**WHEREAS**, the Village and District may agree to compensate the District by a certain percentage of the amount of income tax revenue realized from the proposed development or a lump sum amount; and

**WHEREAS**, Bugarcic, Julia & Sveltana, has proposed development in the Village's Community Investment Area which will result in the abatement of real property taxes for a certain period of time; and

**WHEREAS**,the Village has agreed to pay to the District for each year a tax abatement was in place Fiftypercent (50%) of the income tax revenues received by the Village as a result of the occupancy by way of lease, ownership or otherwise of any employer located on an abated property in the Village’s Community Reinvestment Area; and

**WHEREAS**, the Village and District desire to enter into this revenue sharing Agreement which will be beneficial to both parties:

**NOW THEREFORE**, in consideration of the exchange of the mutual covenants expressed herein the parties hereto agree as follows:

1. Bugarcic, Julia & Sveltana are proposing to construct a Village Market featuring a wide variety of the finest fruits and freshest vegetables, jumbo eggs and Amish meats & cheeses with an ever expanding organic section along with a dairy & beverage department in approximately 12,000 S.F. on Broadway Avenue and a portion of Permanent Parcel No. 795-36-002 of which is located within the Village's Community Reinvestment Area No. 1 (hereinafter the "Abated Properties").

2. The Village is proposing to grant Bugarcic, Julia & Sveltana, or its successor(s) in interest, 80% real property tax abatement for any increase in fair market value the construction of the Project causes to such property for a Fifteen (15) year period.

3. During any tax abatement in which the District would have received real property tax payments derived from the Project but for the Village authorizing for that Project the tax abatement described above, the Village agrees to pay to the District for that year an amount equal to Fifty percent (50)% of the Withholding Income Tax Revenues received by the Village as a result of the occupancy by way of ownership, lease or otherwise, of any employer occupying the Projects building.

4. The Village agrees to submit such payment to the District no later than June 1st of the year following any year which this Agreement applies to. Failure to remit such payment shall result in a penalty of $5.00 per $1,000.00 liability, in addition to interest which shall accrue at the rate of 5% per annum. In addition, failure of timely receipt of such payment will result in the District representative on the Oakwood Village Tax Incentive Review Committee (TIRC) casting a “no” vote to continue the property tax abatement for Bugarcic, Julia & Sveltana**,** at the TIRC annual meeting.

5. This Agreement may be modified or amended by the parties only in writing signed by both parties to the Agreement. The invalidity of any provision of this Agreement shall not affect the other provisions of this Agreement.

**(SIGNATURES ON NEXT PAGE)**

**IN WITNESS WHEREOF,** the parties hereto have caused this Agreement to be executed as of the date first listed above.

**Village of Oakwood** **Bedford City Schools District**

By:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ By:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_

Mayor Gary V. Gottschalk Superintendent

By:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Treasurer

By:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

President of the Board of Education