

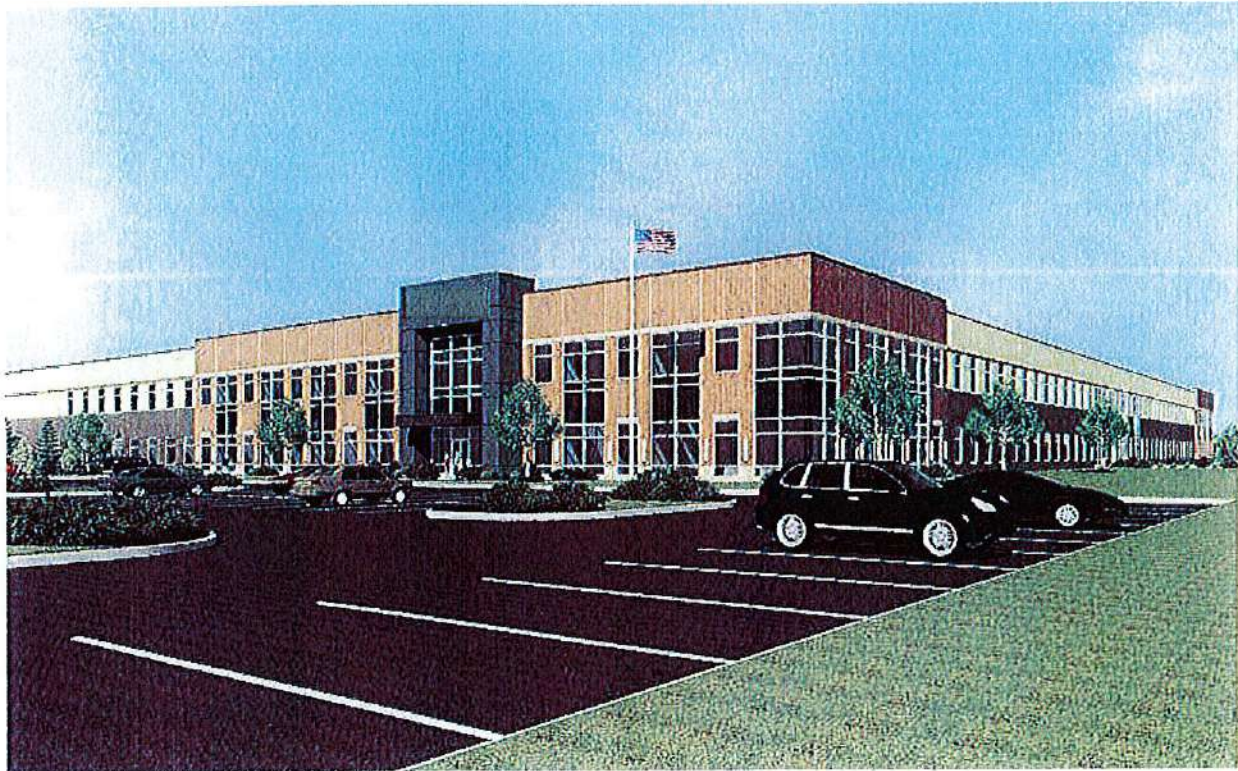


# INTERSTATE-McBEE



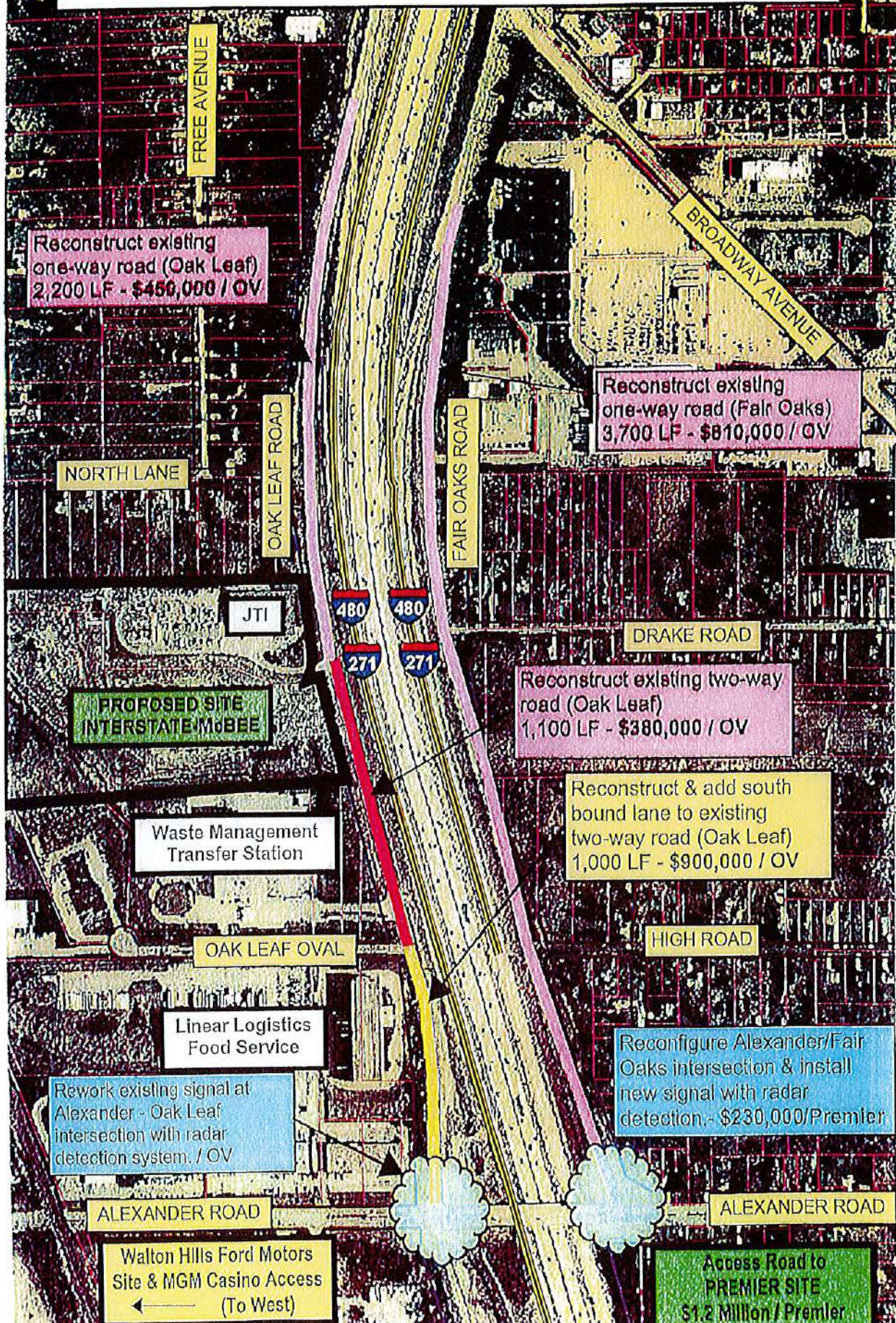
Proposing to establish a state-of-the-art corporate campus on the current JTI site off Oakleaf Road in Oakwood Village

Based in Cleveland since 1947, Interstate Mc-Bee is one of the world's premier manufacturers of a wide variety of revolutionary fuel components that dramatically reduced exhaust particulates and sufficiently improve fuel economy for rail, power generation, mining, marine, heavy truck & military applications.





# PROPOSED AREA-WIDE ROADWAY IMPROVEMENTS FOR PREMIER DEVELOPMENT SITE





ORDINANCE NO. 2020 -

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 OAKWOOD CENTER, LLC. LOCATED IN OAKWOOD COMMUNITY REINVESTMENT AREA NO. 1 AND AUTHORIZING THE MAYOR TO ENTER INTO A MUNICIPAL INCOME TAX REVENUE SHARING AGREEMENT WITH THE BOARD OF EDUCATION OF THE BEDFORD CITY SCHOOL DISTRICT**

WHEREAS, The Mayor, as Housing Officer, certifies that improvements to the commercial property in Oakwood Community Reinvestment Area No. 1, owned or to be owned by Oakwood Center, LLC. (hereinafter "OC, LLC"), qualifies for real property tax exemption under Ordinance 1991-72, as amended by Ordinances 1996-61, 2001-22 and 2019-09; 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 the proposed improvements, more fully described in Exhibit "A" attached hereto and incorporated herein (hereinafter "Project"), to the real property located off Oak Leaf Road, also known as Permanent Parcel Numbers 795-50-014, 795-50-013, 795-49-010, 795-15-048, 795-50-012, 795-50-011, 795-49-005, 795-49-006 and 795-49-007 (hereinafter "Property"), which are all within the Village of Oakwood (hereinafter "Village") and Oakwood Community Reinvestment Area No. 1 and owned by OC, LLC or its successor in interest, will 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, 2001-22, and 2019-09, and Section 3735.67(D)(2) of the Ohio Revised Code for a period of ten (10) years, beginning in the year following the calendar year of certification of the above to the County Auditor by the Village Housing Officer after the completion of each building. Said exemption shall cover seventy-five (75%) of the dollar amount by which the improvements increase the market value of the real property improvements. Any additional development on the balance of the Property already present or land contiguous to the Property, similar in nature to the improvements presently proposed, will be granted similar tax incentives provided such development occurs within six (6) years following completion of Phase I improvements. In addition, seventy-five per cent (75%) of the tap-in, permit and review fees, as well as the abatement application fee, shall be waived for the construction of these facilities and items related thereto, as and for additional economic incentives to OC, LLC, for the Project.

**SECTION 2.** The period of said exemption shall terminate before the end of ten (10) years, but after the first year of exemption, if the Housing Officer finds and certifies, after notice to OC, LLC and an opportunity to cure, delinquency in a payment of property taxes for the Property, or that the property has not been maintained in compliance with the Village's ordinances and regulations due to the negligence of the owner..

**SECTION 3.** OC, LLC agrees to pay the sum of Twelve thousand and 00/100 Dollars (\$12,000.00) per year for a period of fifteen (15) years to the Board of Education of the Bedford City School District (hereinafter "Board"). OC, LLC agrees to commence said payments in the second year in which OC, LLC receives a tax abatement as provided herein and continue said payments thereafter on or before June 1 of each succeeding year for a total of fifteen (15) yearly installments.

**SECTION 4.** If, during the first ten (10) years following commencement of the incentives referenced in Section 1 above, OC, LLC or its successor(s) in interest shall cease operations at the Property but move or continue those operations at a different location outside of the Village, it shall reimburse to the County Fiscal Officer for proper distribution a proportional amount of the tax incentive dollars saved as a result of this Ordinance to the point operations have ceased which shall be the proportion the square footage of the building(s) that have ceased operation bear to the total square footage of all buildings that have been constructed pursuant to said Exhibit "A". In calculating the foregoing, the amount to be reimbursed shall be reduced ten percent (10%) for each year OC, LLC or its successor(s) in interest has remained in operation at the Property. The reimbursement amount shall be forgiven to the extent that tax and other public revenues generated by OC, LLC are replaced by those of a subsequent tenant.

**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 form, replaces said real property tax and, in the further event abatement from the payment of the new tax is permitted by applicable law, the Village agrees to allow for the substitution of the new form of abatement for the abatement described herein, provided the new abatement bears the same proportion to the new tax that the present abatement bears to the present tax and provided further that the substitution 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. Said substituted abatement shall continue for the remaining duration of the existing abatement.

**SECTION 6.** A Municipal Income Tax Revenue Sharing Agreement between the Village and the Board, a copy of which is attached hereto and incorporated herein as 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 and the preservation of time-sensitive economic development opportunities for the benefit of the Village and its residents, therefore, provided it receives two-third (2/3) 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: \_\_\_\_\_

\_\_\_\_\_  
Gary V. Gottschalk, Mayor

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- 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- 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

# Village of Oakwood

## Community Reinvestment Area (CRA) Application & Tax Increment Financing (TIF) Application

---

1. (a) Please provide name of property owner(s), legal business name, main office address and other contact information, of the property owner(s):

|  |                                       |
|--|---------------------------------------|
| <u>Oakwood Center, LLC</u>   | <u>Brad Buescher</u>                  |
| <u>Property Owner</u>  | <u>Contact Person</u>                 |
| <u>McBee Supply Corp.</u>  | <u>216-535-0274</u>                   |
| <u>Property Owner's Operating Tenant</u>                                     | <u>Daytime Phone#</u>                 |
| <u>Oakwood Center, LLC</u>   | <u>bbuescher@interstate-mcbee.com</u> |
| <u>Property Business Name</u>  | <u>Email &amp; Website Address</u>    |
| <u>5300 Lakeside Avenue, Cleveland, OH 44114, Federal Tax ID# 85-3920457</u> |                                       |
| <u>Property Owner Mailing Address &amp; Federal Tax ID#</u>                  |                                       |

(b) Business Organization:

Corporation, Partnership, Sales Proprietorship, LLC, Joint Venture, Franchise, Start-Up or Other (specify)  
Oakwood Center, LLC is a real estate company that will acquire the land and build the new building, possibly renovate the existing building, and administer landlord activities.

- (c) List primary 6-digit North American Industry Classification System (NAICS) # 531120

2. Project Scope and Long Term Objective:

Oakwood Center, LLC and its diesel and natural gas affiliates seek to establish a new, modern corporate campus capable of handling current and future growth needs. Ownership's intent is to provide an inviting environment to retain and attract talent, inclusive of beautiful green spaces with water features. The immediate commitment includes executive and administrative offices along with state-of-the-art distribution and light manufacturing operations. The initial 200,000 square foot facility could expand an additional 100,000 square feet depending on future needs. The Oakwood site would also allow for the future consolidation of two additional manufacturing plants, consuming 90,000 square feet, located elsewhere in Cleveland with the long-term objective of housing all Ohio operations on one Oakwood campus. \$20 million is the initial project investment based on current diligence information.

3. Nature of Business Activity @ proposed Property Site in Oakwood:

Office, Research & Development, Light Manufacturing, Warehouse/Distribution, Wholesale/Retail, Service or Other (specify) Please estimate Percentage of Total Business.

After the 200,000 square foot facility is complete, two affiliate companies (lessees) of Oakwood Center, LLC will occupy the new facility: Interstate-McBee, LLC and McBee Supply Corporation. Interstate-McBee, LLC is a sales company comprised of sales and service personnel to promote the products and services of diesel and natural gas entities falling under the Interstate-McBee brand name. McBee Supply Corp. is a wholesale distribution business with value add. The product is internal engine components for heavy-duty natural gas and diesel applications. Value add activities include kitting, assembly, gasket fabrication, engineering, quality assurance, service and support, and back office administrative functions along with executive headquarters. Approximate space and personnel breakdown by activity:

- 20,000 square feet: Executive and administrative offices: 32 full time employees (FTEs)
- 30,000 square feet: light manufacturing (gasket fabrication and silicon beading): 12 FTEs
- 40,000 square feet: kitting, assembly and packaging: 46 FTEs
- 110,000 square feet: receiving, pick and pack, shipping and inventory storage: 57 FTEs



4. Description of Proposed Facility

(a) Site Address: 7400 Oak Leaf Rd., Oakwood Village, OH 44146

(b) Permanent Parcel #(s) 795-49-010; 795-50-013 & 14; 795-15-048; 795-50-011 & 12; 795-49-005 & 6 & 7

(c) Cost of Land: \$2,354,600 (Current value of land per Cuyahoga County Fiscal Office)

(d) Project Timeline: Will Begin 2021 Be Completed 2022-23

(e) Building Description: 200,000 square foot facility comprised of modern corporate offices and high-quality concrete panel state-of-the-art warehouse. Landscape site in manner that is attractive from street/271 views.

(f) Representative design intent picture<sup>1</sup>:



5. Project Description & 5-Year Business Plan

Please include existing as well as new products or services, which will result from this Project:

The current project is to provide a state-of-the-art corporate campus for our guaranteed lessees. The lessees need more space to support growth and productivity. Lessees and affiliates' headquarters have resided in Cleveland since 1947. Should this project move forward, then Oakwood Village would become the affiliates' headquarters for decades to come.

6. Estimate the amount to be invested by the Applicant to establish, renovate, expand or occupy the proposed Project Site:

(a) Acquisition of Existing Building(s) \$875,000

(b) Renovation/Expansion to Existing Building(s) \$900,000. if we add offices onto existing building

(c) Construction of New Building(s) \$13,000,000

<sup>1</sup> All rights not limited to trademark, copyrights and otherwise in regards to the attached photo owned by ARHAUS Furniture. ARHAUS is a local company who recently constructed a beautiful headquarters that Oakwood Center, LLC ownership finds inspiring.



|  |   |
|--|---|
| (d) Machinery & Equipment                  | <u>See footnote<sup>3</sup></u>   |
| (e) Furniture & Fixtures                   | <u>See footnote<sup>4</sup></u>   |
| (f) Inventory                              | <u>See footnote<sup>5</sup></u>   |
| <b><u>Total New Project Investment</u></b> | <b><u>\$14,775,000 not including lessee's investments as indicated in footnotes</u></b> |

6. Employment Opportunities @ proposed Project Site in Oakwood:

(a) See footnote<sup>6</sup> Current# Employees

(b) See footnote<sup>6</sup> Current Annual Payroll

(c) Relocation and/or Consolidation of Operations

Will the project involve the relocation of employment positions or assets from one Ohio location to the proposed Oakwood Project Site? See footnote<sup>6</sup>

(d) If yes, please name the site affected by the relocation to Oakwood & the impact of the relocation on that site detailing the number of employees and/or assets to be relocated: See footnote<sup>6</sup>

(e) see footnote<sup>10</sup> Estimate # New Employees the Applicant will cause to be created @ proposed

Oakwood

Project Site. Please list total employment level by full & part-time and permanent & temporary:

(f) Estimate Annual Payroll for Year 1

(g) Estimate Annual Payroll for Year 5

7. (a) The Applicant requests the following tax incentives:

CRA abatement of 75% for 10 Years covering real property improvements as described above.

We are requesting tax incentives so Oakwood Village can be competitive with alternate options in Florida and Texas. 0.41 Tax Increment Financing (TIF). The Bedford City School District (BCSD) will receive 40% of the real property taxes that would have been distributed to it by the County Treasurer for the first 10 years but for the TIF exemption. For years 11-15, the BCSD will receive 10% of the real property taxes that would have been distributed to it but for the TIF exemption. For the second 15 years, the BCSD will receive 100% of the amount it would have received but for the TIF exemption.

(b) Reasons requesting tax incentives (please be quantitatively specific):

To be competitive with alternative options in Florida and Texas.

8. Delinquencies

<sup>2</sup> The new building will provide the flexibility for up to 1 00,000 sf of expansion, which holds the potential for another \$6,500,000 of property value. Moreover, a potential manufacturing plant with special requirements would hold the potential for another \$8,000,000 of property value.

<sup>3</sup> Machinery and equipment for lessee - \$1,800,000

<sup>4</sup> Furniture and fixtures for lessee - \$2,000,000

<sup>5</sup> New inventory for lessee - \$1,500,000

<sup>6</sup> 147 current, full time employees would move to the new facility, when facility is move-in ready. These are guaranteed lessees' employees.

<sup>7</sup> \$6,000,000 is the current payroll of lessees' 147 employees.

<sup>8</sup> Lessees would relocate all personal, machinery, inventory, assets and operations from their shared 5300 Lakeside Avenue, Cleveland Ohio 44114 location.

<sup>9</sup> Affiliates/lessees will vacate a leased building located at 5300 Lakeside Avenue, Cleveland, Ohio 44114. The 5300 Lakeside Avenue landlord will re-lease the vacated space to a new tenant. All affiliates' personnel, inventory and assets would relocate to Oakwood Village with the exception of two manufacturing plants in Cleveland. Two diesel fuel systems manufacturing plants will remain in the Cleveland Lakeside area employing approximately 110 full time employees.

<sup>10</sup> Guaranteed lessees' full time employees payroll year 1 \$6,000,000; estimated year 5 \$7,000,000+. Guaranteed lessees estimate at least 30 new full time jobs over the five-year timeframe. Affiliates prefer full time employees over temporary employees as even the lower skilled positions require training and experience to become productive. By opening up the labor pool to Akron and other counties more convenient to Oakwood Village, affiliates hope to operate with little or no temporary employees.



Does the Property Owner/Applicant owe:

- (a) Any delinquent taxes to the Federal Govt. State of Ohio or a political subdivision?  
No
- (b) Any moneys to the Federal Government, State or a state agency for the administration or enforcement of any environmental laws? No
- (c) Any other moneys to the State, a state agency or a political subdivision of the State that are past due, whether the amounts owed are being contested in a court of law or not?  
No
- (d) If yes to any of the above, please provide details of each instance including, but not limited to, the location, amounts and/or case identification numbers.

9. **Legal Proceedings:**

- (a) Are there any current or pending lawsuits involving any principals of or the Applicant?  
No
- (b) If yes, please provide details and attach any supporting documents relating to the lawsuits.

----REQUIREMENTS & CERTIFICATIONS----

- (a) Submission of this application expressly authorizes the Village of Oakwood to contact the Ohio Environmental Protection Agency to confirm statements contained within this application including Item #8, and to review applicable confidential records. As part of this application, the Applicant may also be required to directly request from the Ohio Department of Taxation or complete a waiver form allowing the Department of Taxation, to release specific tax records to the Village of Oakwood for consideration of this request.
- (b) The Applicant affirmatively covenants that the information contained in and submitted with this application is complete and correct and is aware of the ORC Sections 9.66(C)(1) & 2921.13(F)(1) penalties for falsification which could result in the forfeiture of all current and future economic development assistance benefits as well as a fine of not more than \$1,000.00 and/or a term of imprisonment of not more than six months.
- (c) The Applicant agrees to supply additional information upon request.

Oakwood Center, LLC  
Name & Title of Property Owner (Typed or printed)

[Signature] 11/23/2020  
Signature & Date  
"Jrea, Jun3r, CJaiwl&tl'Unler", LL-c..

Submit complete application to:

Gary V. Gottschalk  
Mayor  
Village of Oakwood

Phone: (216) 346-7073  
[dhammett@oakwoodvillageoh.com](mailto:dhammett@oakwoodvillageoh.com)

**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 Board of Education of the Bedford City School District (the "District").

**WITNESSETH:**

WHEREAS, the Village may, under the authority of the Ohio Revised Code, grant an exemption from taxation for real and/or personal property as a result of certain development occurring in the Village's Community Reinvestment Area No. 1; and

WHEREAS, the Village and District may agree, although in this case the Village is not obligated, 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, Interstate-McBee LLC. (the "Owner"), has proposed development in the Village's Community Investment Area No. 1 which will result in the abatement of real property taxes for a certain period of time; and

WHEREAS, the Village and District desire to enter into this 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. The Owner is proposing to build a series of two (2) buildings, the first being a 200,000 square foot office/warehouse facility (expandable to 300,000 square feet) and the second a 100,000 square foot manufacturing facility both of which are to be located off Oak Leaf Road on property known as Permanent Parcel Nos., 795-50-014, 795-50-013, 795-49-010, 795-15-048; 795-50-012, 795-50-011, 795-49-005, 795-49-006 and 795-49-007 within the Village (hereinafter referred to as the "Project"), which is located in the Village's Community Reinvestment Area No. 1.
2. The Village is proposing to grant Owner or it's successors in interest a 75% real property tax abatement for any increase in fair market value the construction of each of the two buildings comprising the Project causes to such property for a ten (10) year period for each building.



3. Commencing with the second year of tax abatements , the Village shall pay to the District an amount equal to Fifteen percent (15%) 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 in the Project's buildings. Said payments shall continue thereafter on a yearly basis until a total of Fifteen (15) annual payments have been made.
4. The Village agrees to submit such payment to the District no later than June 1<sup>st</sup> of the year following any year to which this Agreement applies.
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.

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

Village of Oakwood

The Board of Education of the Bedford City  
School District

By: \_\_\_\_\_  
Mayor Gary V. Gottschalk

By: \_\_\_\_\_  
Superintendent Andrea Celico

APPROVED AS TO LEGAL FORM

By: \_\_\_\_\_  
President of the Board of Education

\_\_\_\_\_  
James A. Climer  
Law Director, Village of Oakwood



**JTI DEVELOPMENT SITE**

OAK LEAF ROAD

Approx 30.5 Acres

Approx. First Energy Eastern, Inc. Property

Wetlands Mitigation directed by U.S. Army Corp of Engineers for all land west of the stream

Supplemental Costs to Interstate McBee to renovate JTI properties at estimate of \$ 1.5 million

**Approx 30.5 Acres**

## Approx. First Energy Experiments

**Waste Management  
Transfer Station**

Supplemental Costs to Interstate McBee to renovate JTI properties at estimate of \$ 1.5 million\_

- Wetlands Mitigation directed by U.S. Army Corp of Engineers for all land west of the stream)
- Relocation of stream deemed "regulated waterway" by Army Corp of Engineers
- Stabilization of "unstable subsoil due to previous fill activities from a geotech study
- Mounding & landscaping to screen Waste Management Transfer Station facility
- Avoid construction around First Energy high power lines



The first part of the paper discusses the importance of the research and the objectives of the study. It then presents a literature review of the existing research on the topic. The second part of the paper describes the methodology used in the study, including the data collection and analysis techniques. The third part of the paper presents the results of the study, and the fourth part discusses the conclusions and implications of the findings. The paper concludes with a summary of the main points and a list of references.

The research was conducted using a quantitative approach, with data collected from a survey of 100 participants. The data was analyzed using statistical software, and the results were presented in a series of tables and graphs. The findings of the study indicate that there is a significant relationship between the variables being studied, and that the results have important implications for the field of research.

The study was limited by a number of factors, including the sample size and the potential for bias. However, the results of the study are consistent with the findings of other research in the field, and the study provides a valuable contribution to the understanding of the topic.

The research was funded by the National Science Foundation, and the results of the study are being used to inform policy and practice in the field of research. The study is a testament to the importance of research in understanding the world around us, and the need for continued research in this area.

ORDINANCE NO. -2020

INTRODUCED BY MAYOR AND COUNCIL AS A WHOLE

AN ORDINANCE DECLARING IMPROVEMENTS TO CERTAIN PARCELS WITHIN THE VILLAGE TO BE A PUBLIC PURPOSE, EXEMPTING THE IMPROVEMENTS TO SUCH PARCELS FROM REAL PROPERTY TAXATION FOR A PERIOD OF THIRTY YEARS, AUTHORIZING THE MAYOR TO ENTER INTO AN AGREEMENT WITH THE BOARD OF EDUCATION OF THE BEDFORD CITY SCHOOL DISTRICT REGARDING SUCH EXEMPTION, REQUIRING THE OWNERS OF SUCH PARCELS TO MAKE SERVICE PAYMENTS IN LIEU OF TAXES, ESTABLISHING AN URBAN REDEVELOPMENT TAX INCREMENT EQUIVALENT FUND FOR THE DEPOSIT OF SUCH SERVICE PAYMENTS PURSUANT TO OHIO REVISED CODE SECTIONS 5709.41, 5709.42 AND 5709.43, AND DECLARING AN EMERGENCY.

WHEREAS, the Village of Oakwood (the "Village") has acquired title to certain parcels of real property located in the Village, more fully described as Permanent Parcel Nos. 795-50-014, 795-50-013, 795-49-010, 795-15-048, 795-50-012, 795-50-011, 795-49-005, 759-49-006 and 795-49-007 (collectively referred to as the "Property"), as shown on Exhibit "A" attached hereto and incorporated herein, for the purpose of urban redevelopment of the Property pursuant to a Development Agreement approved by the Oakwood Village Council in furtherance of the City's policy of urban redevelopment as evidenced by the Village of Oakwood Community Reinvestment Area Housing Survey performed by Chagrin Valley Engineering and dated December 2018 which was approved by the Oakwood Village Council on or about January 19, 2019 in Ordinance No. 2019-09; and

WHEREAS, Interstate-McBee, LLC (the "Owner") is interested in redevelopment of the Property by the construction of a commercial real estate project consisting of buildings and other commercial real estate components consistent with the applicable zoning code, along with related landscaping and improvements, as further described in Exhibit "B" attached hereto and incorporated herein, thereby creating jobs and employment opportunities for the residents of the Village and Cuyahoga County; and

WHEREAS, certain public infrastructure improvements are required in order for Owner to proceed with the development of the Property, which include infrastructure described in more detail on Exhibit "C" attached hereto and incorporated herein (collectively, the "Improvements") which Improvements include improvements to certain portions of the Property; and

WHEREAS, Ohio Revised Code Sections 5709.41, 5709.42 and 5709.43 authorize this Council to declare all of the Improvements (as defined in Ohio Revised Code Section 5709.41)



with respect to real property which has been owned by the Village and thereafter conveyed to a private person to be a public purpose, thereby authorizing the exemption of those Improvements from real property taxation for a period of years and to provide for the making of service payments in lieu of taxes by the owner of such parcel and to establish an urban redevelopment tax increment equivalent fund into which such service payments shall be deposited; and

WHEREAS, the Village has determined that it is necessary and appropriate and in the Village's best interest to provide for service payments in lieu of taxes with respect to the Property pursuant to Ohio Revised Code Section 5709.42 (the "Service Payments") to pay a portion of the costs of the redevelopment of the Property and the Improvements; and

WHEREAS, the Property is located within the boundaries of the Bedford City School District (the "School District"); and the School District has been notified of the City's intent to pass this Ordinance in accordance with Ohio Revised Code Sections 5709.41(C) and 5709.83; and

WHEREAS, the Village and the School District have agreed to enter into a Compensation Agreement substantially in the form attached hereto and incorporated herein as Exhibit "D" (the "Compensation Agreement");

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE VILLAGE OF OAKWOOD, STATE OF OHIO, that:

Section 1. This Council finds and determines that the Improvements described in Exhibits "B" and "C", to be constructed by the Owner or its designee, are declared to be a public purpose for purposes of Section 5709.41 of the Ohio Revised Code.

Section 2. The Mayor is hereby authorized to enter into the Compensation Agreement with the Board of Education of the School District in substantially the form attached hereto and incorporated herein as Exhibit "D", with such changes therein as are not adverse to the Village, as evidenced by the Mayor's signature thereon.

Section 3. Pursuant to and in accordance with the provisions of Section 5709.41 of the Ohio Revised Code, 100% of the Improvements are hereby declared to be a public purpose for a period of thirty (30) years and exempt from taxation for a period of thirty (30) years, commencing with the effective date of this Ordinance and continuing for a period of thirty (30) years (the "TIF Exemption").

Section 4. As provided in Section 5709.42 of the Ohio Revised Code, the owner or owners of the Property are hereby required to and shall make semi-annual Service Payments to the Cuyahoga County Treasurer (the "County Treasurer") on or before the final dates for payment of real property taxes due and payable with respect to the Improvements. In accordance with Section 5709.42 of the Ohio Revised Code, the County Treasurer is hereby requested to distribute a portion of the Service Payments directly to the School District in the amount provided for in the Compensation Agreement. The remaining Service Payments, when distributed to the Village by the County Treasurer, shall be deposited in the Interstate-McBee Urban Redevelopment Tax Increment Equivalent Fund (the "Fund") established in Section 5

hereof. This Council hereby authorizes the Mayor, the Director of Finance and the Village Law Director and other appropriate officers of the City to provide such information and certifications and to execute and deliver or accept delivery of such instruments as are necessary and incidental to collection of those Service Payments and to make such arrangements as are necessary and proper for payment of those Service Payments.

Section 5. This Council hereby establishes pursuant to and in accordance with the provisions of Section 5709.43 of the Ohio Revised Code, the Fund, into which shall be deposited all of the Service Payments distributed to the Village with respect to the Improvements, by or on behalf of the County Treasurer as provided in Section 5709.42 of the Ohio Revised Code, and hereby provides that the moneys deposited in the Fund shall be paid to the Owner to pay any or all acquisition, construction, installation or financing costs, and any or all other direct and indirect costs of the Project, or to reimburse the Owner for such costs, or retained by the Village in accordance with the Development Agreement previously approved by this Council. The Fund shall remain in existence so long as Service Payments are collected and used for the aforesaid purposes, after which time the Fund shall be dissolved in accordance with Section 5709.43 of the Ohio Revised Code and any moneys remaining therein shall be paid to the Village.

Section 6. Pursuant to Section 5709.41(E) of the Ohio Revised Code, the Clerk of Council is hereby directed to deliver a copy of this Ordinance to the Director of the Development Services Agency of the State of Ohio (the "Director") within fifteen days after its passage. On or before March 31st of each year that the exemption set forth in Section 3 hereof remains in effect, the Mayor or other authorized officer of this Village shall prepare and submit to the Director the status report required under Section 5709.40(I) of the Ohio Revised Code.

Section 7. This Council determines that all formal actions of this Council concerning and relating to the passage of this Ordinance were passed in an open meeting of this Council, and that all deliberations of this Council and of any of its committees that resulted in such formal action were in meetings open to the public in compliance with all legal requirements.



Section 8. This Ordinance is declared to be an emergency measure necessary for the immediate preservation of the public peace, health, safety and welfare of the Village, and for the further reason that this Ordinance is required to be immediately effective so that the Village can maximize the amount of Service Payments to be received from the Property and pursue economic development opportunities benefitting the Village and its residents for which time is of the essence; wherefore, this Ordinance shall become immediately effective upon receiving the affirmative vote of two thirds of all members elected to Council and approval by the Mayor, otherwise from and after the earliest period allowed by law.

PASSED \_\_\_\_\_, 2020

\_\_\_\_\_  
President of Council

ATTEST:

APPROVED:

\_\_\_\_\_  
Clerk of Council

FILED WITH MAYOR: \_\_\_\_\_

\_\_\_\_\_  
MAYOR, VILLAGE OF OAKWOOD

**EXHIBIT A  
PROPERTY**

Village of Oakwood

Permanent Parcel Numbers

The entirety of the following parcels:

795-50-014  
795-50-013  
795-49-010  
795-15-048  
795-50-012  
795-50-011  
795-49-005  
795-49-006  
795-49-007



## EXHIBIT B

### Description of the Project

The Owner is proposing to build a series of two (2) buildings, the first being a 200,000 square foot office/warehouse facility (expandable to 300,000 square feet) and the second a 100,000 square foot manufacturing facility both of which are to be located off Oak Leaf Road on property known as Permanent Parcel Nos., 795-50-014, 795-50-013, 795-49-010, 795-15-048; 795-50-012, 795-50-011, 795-49-0005, 795-49-006 and 795-49-007 within the Village's Community Reinvestment Area No. 1.

## EXHIBIT C

### Improvements

The Project shall include but not be limited to:

- Construction of the buildings upon the Project Site, replacement thereof and repairs thereto;
- The provision of utilities and utility connections to the Project Site including but not limited to storm water drainage/detention/retention improvements and measures, sanitary sewerage, water mains and connections, fire hydrants, gas, telecommunications and all trenching and conduits for public utilities;
- Environmental remediation including but not limited to wetlands mitigation for the Project Site;
- Relocation of a stream running through the Project Site which has been determined by the Army Corps of Engineers to be a regulated waterway;
- Stabilization of the subsoil for building pads and other purposes which geotechnical evaluations have determined to be unstable due to previous fill activities;
- Land acquisition including, but not limited to, the possible purchase of two rezoned properties on North Lane including screening and beautification;
- Demolition, abatement and other rehabilitation expenses related to existing buildings and structures;
- Construction of an access road onto the Project Site from Oak Leaf Road as well as screening and beautification of same;
- Mounding, screening and landscaping of the adjacent Waste Management facility which periodically emits noxious odors and is unsightly;
- Screening of all adjacent properties not otherwise mentioned;
- The maintenance of all screening and landscaping;
- Permitting and other fees and costs;
- Reconstruction of Fair Oaks Road and Oak Leaf Road to be constructed and paid for by the Village;
- Financing and other carrying costs associated with the Project;
- Professional services and other soft costs associated with the Project including, but not limited to, engineering, legal and consulting services;
- Professional services associated with the establishment and administration of tax increment financing (TIF) arrangements;
- Payments in Lieu of Taxes (PILOTS) and similar arrangements with the Board of Education of the Bedford City School District and/or other public entities associated with the TIF or otherwise;
- Payments to the Board of Education of the Bedford City School District and Oakwood Village for agreeing to development incentives.





### *Supplemental Costs to Interstate McBee to renovate*

### *JTI properties at estimate of \$ 1.5 million.*

- Wetlands Mitigation directed by U.S. Army Corp of Engineers for all land west of the stream)
- Relocation of stream deemed "regulated waterway" by Army Corp of Engineers
- Stabilization of "unstable subsoil due to previous fill activities from a geotech study
- Mounding & landscaping to screen Waste Management Transfer Station facility
- Avoid construction around First Energy high power lines



Exhibit D  
Compensation Agreement



## EXHIBIT D

### COMPENSATION AGREEMENT

This Compensation Agreement (the "Agreement") is made and entered into as of \_\_\_\_\_, 2020, by and between the VILLAGE OF OAKWOOD, OHIO (the "Village"), a municipal corporation organized and existing under the constitution, its Charter, and the laws of the State of Ohio with its principal offices at Oakwood Village Hall, 24800 Broadway, Oakwood Village, Ohio 44146, and the BOARD OF EDUCATION OF THE BEDFORD CITY SCHOOL DISTRICT (the "School District"), a public school district with its principal offices located at 475 Northfield Road, Bedford, OH 44146.

#### WITNESSETH:

WHEREAS, pursuant to Ohio Revised Code Section 5709.41, .42, and .43 (together with related provisions of the Ohio Revised Code, the "TIF Act"), the Village may, among other things, (i) declare the increase in assessed value of real property located in the Village to be a public purpose, thereby exempting such increase from real property taxation for a period of time; (ii) provide for the making of service payments in lieu of taxes by the owners of such real property; and (iii) provide for compensation payments to the affected school districts out of such service payments in lieu of taxes; and

WHEREAS, the Village proposes to establish a tax increment financing district with respect to certain property located on or near Oak Leaf Road in the Village, as more fully described in Exhibit "A" attached hereto and incorporated herein (the "Interstate-McBee Property") including future additions to or extensions of the Interstate-McBee Property, to exempt from real property taxation the Interstate-McBee Property pursuant to Section 5709.41 of the Ohio Revised Code (the "TIF Statute") and to require the owners of parcels included in the Interstate-McBee Property (collectively, "Owners"), to make Service Payments In Lieu of Taxes ("Service Payments") and to use such Service Payments to pay a portion of the cost of certain private and public infrastructure improvements; and

WHEREAS, the Village proposes to enact Ordinance No. \_\_\_\_\_ (the "TIF Ordinance") on or after \_\_\_\_\_, 2020, and therein (a) declare to be a public purpose the improvement to the Interstate-McBee Property and authorize the execution of certain agreements between the Village and Interstate-McBee, LLC, as the Owner of the Interstate-McBee Property, providing for, among other things, the exemption of the increase in value of the Interstate-McBee Property subsequent to the passage of the TIF Ordinance (each improvement having the meaning as set forth in the TIF Act and collectively referred to herein as the "Improvements") relating to the Interstate-McBee Property consistent with the objectives stated in the TIF Ordinance and the payment of Service Payments with respect to such Improvements, and (b) authorize the execution of this Agreement; and

WHEREAS, the Village and the School District will derive substantial and significant benefits from the Improvements; and

WHEREAS, on \_\_\_\_\_, 2020, and prior to the passage of the TIF Ordinance, the Board of the School District adopted a resolution granting its approval of this Agreement and the exemption of the real property taxes on the Improvements as provided in the TIF Ordinance and waived any further requirements of the TIF Act and Sections 5709.82 and 5709.83 of the Ohio Revised Code on the condition that the Village execute and deliver this Agreement; and

WHEREAS, the TIF Ordinance provides for a 30-year, 100% exemption from real property taxes with respect to the Improvements on the Interstate-McBee Property (the "TIF Exemption") and for the payment of service payments in lieu of taxes with respect to such Improvements ("Service Payments"); and

WHEREAS, to facilitate the construction of certain public and private improvements to the Interstate-McBee Property and to compensate the School District for a portion of the real property taxes that the School District would have received had the Interstate-McBee Property been improved and not been exempted from taxation, the Village and the School District have determined to enter into this Agreement, which Agreement is in the vital and best interest of the Village and the School District and will improve the health, safety and welfare of the citizens of the Village and the School District;

NOW THEREFORE, in consideration of the promises and covenants contained in this Agreement, the parties agree as follows:

Section 1. School District Approval and Agreement. In consideration of the compensation to be provided to it under this Agreement, the School District hereby approves the TIF Exemption in the amount of up to 100% for up to 30 years, as provided for in the TIF Ordinance, and waives any payment of income tax revenues derived from new employees at the Interstate-McBee Property as provided in Section 5709.82 of the Ohio Revised Code.

Section 2. Compensation Payments to School District.

(a) The parties agree that, as consideration for the School District's agreement in Section 1,

(i) commencing with the first (1<sup>st</sup>) collection year in which Service Payments are received by the Cuyahoga County Treasurer (the "Treasurer") with respect to the Interstate-McBee Property, and ending with the tenth (10<sup>th</sup>) collection year in which Service Payments are received by the Treasurer with respect to the Interstate-McBee Property, the Village shall cause the Treasurer to pay semi-annually to the School District, but solely from Service Payments received by the Treasurer, an amount equal to forty percent (40%) of the real property taxes that would have been distributed to the School District but for the TIF Exemption.

(ii) commencing with the eleventh (11<sup>th</sup>) collection year in which Service Payments are received by the Treasurer with respect to the Interstate-McBee Property, and ending with the fifteenth (15<sup>th</sup>) collection year in which Service Payments are received by the Treasurer with respect to the Interstate-



McBee Property, the Village shall cause the Treasurer to pay semi-annually to the School District, but solely from Service Payments received by the Treasurer, an amount equal to ten percent (10%) of the real property taxes that would have been distributed to the School District but for the TIF Exemption.

(iii) Commencing with the sixteenth (16<sup>th</sup>) collection year in which Service Payments are received by the Treasurer with respect to the Interstate-McBee Property and continuing until the TIF Exemption ends, the Village shall cause the Treasurer to pay semi-annually to the School District, but solely from Service Payments received by the Treasurer, an amount equal to one hundred percent (100%) of the amounts, if any, the School District would have received but for the TIF Exemption.

(b) The payments specified in subsection (a) shall be made only to the extent that the Treasurer actually receives Service Payments in an amount equal to the real property taxes that the School District would have received, but for the TIF Exemption. Amounts received by the School District in accordance with subsection (a) of this Section 2 are collectively referred to herein as "TIF Revenue Payments." In the event that in any year the amount of Service Payments actually received by the Treasurer are not equal to the TIF Revenue Payments to be received under this Section 2, such amounts shall be carried forward and will be payable from amounts received in future years after reimbursement of the School District for the applicable percentage of taxes that the School District would have received in such future year. In the event that the valuation of the Interstate-McBee Property is challenged by an Owner or by the School District and the result of such challenge is an increase or decrease in the assessed valuation of such parcel which increase or decrease is finally determined, either through all appeals or after expiration of any appeal period, in a later collection year, the TIF Revenue Payments due to the School District in the year of such final determination and thereafter shall be increased or decreased to reflect such increased or decreased valuation.

Section 3. Additional Payments. In addition, the Village shall cause Interstate-McBee to pay to the School District Twelve thousand and 00/100 Dollars (\$12,000.00) per year commencing in the second year in which Interstate-McBee receives tax abatements as provided herein and continuing thereafter for a total of fifteen (15) years of payments.

Section 4. Timing of Payments. The Treasurer shall distribute the TIF Revenue Payments to the School District in accordance with law. The payments due under Section 2(a) shall be paid to the School District not later than January 31 of each collection year that the TIF Exemption is in effect, commencing with the calendar year in which the first Service Payments are distributed by the Treasurer. The records of the Village relating to the amount of any TIF Revenue Payment or other payment shall be made available to the School District for audit annually by the treasurer of the School District or by an independent auditor of the School District's choice and at its sole expense.

Section 5. Sharing of Information. The Village agrees to cooperate to share information with the School District as to its receipt of Service Payments upon request of the School District, subject to any restrictions imposed by law and shall provide the School District with a copy of information it sends to the State to comply with annual reporting requirements in connection with the exemption under the TIF Ordinance.

Section 6. Amendment. This Agreement may be amended or modified by the parties only in writing, signed by both parties to the Agreement.

Section 7. Entire Agreement, Waiver of Notice. This Agreement sets forth the entire agreement and understanding between the parties as to the subject matter hereof and merges and supersedes all prior discussions, agreements, and undertakings of every kind and nature between the parties with respect to the subject matter of this Agreement. The School District hereby waives any notice requirements set forth in the TIF Act or in Sections 5709.82, 5709.83 and 5715.27(D) of the Ohio Revised Code with respect to the TIF Exemption and waives any defects or irregularities relating to the TIF Exemption.

Section 8. Notices. All payments, certificates and notices which are required to or may be given pursuant to the provisions of this Agreement shall be sent by the United States ordinary mail, postage prepaid, and shall be deemed to have been given or delivered when so mailed to the address set forth in the first paragraph of this Agreement, to the attention of the Mayor or the Superintendent, as applicable. Either party may change its address for receiving notices and reports by giving written notice of such change to the other party.

Section 9. Severability of Provisions. The invalidity of any provision of this Agreement shall not affect the other provisions of this Agreement, and this Agreement shall be construed in all respects as if any invalid portions were omitted.

Section 10. Counterparts. This Agreement may be executed in any number of counterparts, all of which taken together shall constitute one and the same instrument, and any party to this Agreement may execute this Agreement by signing any such counterpart.

*Remainder of Page Intentionally Left Blank*

*Signature Page Follows*



IN WITNESS WHEREOF, the parties have caused this Agreement to be duly executed and delivered on the date set forth above.

VILLAGE OF OAKWOOD, OHIO

BOARD OF EDUCATION OF THE  
BEDFORD CITY SCHOOL DISTRICT

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

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

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

By: \_\_\_\_\_  
President of the Board of Education

Approved as to legal form:

\_\_\_\_\_  
Law Director

**SECTION 5705.41**  
**CERTIFICATE OF AVAILABILITY OF FUNDS**

The undersigned, Director of Finance of the Village of Oakwood, Ohio (the "Village"), hereby certifies in connection with the Compensation Agreement between the Village and the Bedford City School District, dated \_\_\_\_\_, 202\_, that:

The amount required to meet the contract, obligation, or expenditure for the attached, has been lawfully appropriated for the purpose, and is in the treasury or in process of collection to the credit of an appropriate fund, free from any outstanding obligation or encumbrance.

IN WITNESS WHEREOF, I have hereunto set my hand this \_\_\_\_\_ day of \_\_\_\_\_, 2020.

\_\_\_\_\_  
Director of Finance

Dated: \_\_\_\_\_, 202\_



**EXHIBIT A  
PROPERTY**

Village of Oakwood

Permanent Parcel Numbers

The entirety of the following parcels:

795-50-014  
795-50-013  
795-49-010  
795-15-048  
795-50-012  
795-50-011  
795-49-005  
795-49-006  
795-49-007