

To Codified? N 1st Read 12/21 2nd Read 12/21 3rd Read 12/21 Under Suspension NO

ORDINANCE NO. 2021 03

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

WHEREAS, The Mayor, as Housing Officer, certifies that the improvement to the commercial property in Oakwood Community Reinvestment Area No. 1, owned by Premier Oakwood, LLC (hereinafter "Premier"), 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. It is anticipated that Premier, as disclosed in the Application attached hereto and incorporated herein as Exhibit "A", will develop up to three (3) buildings (potentially each in phases) on the property described hereinafter, one (1) building consisting of no less than approximately two hundred fifty thousand (250,000) square feet ("Phase 1"), to be expandable to approximately 400,000 square feet land acquisition and market demand permitting ("Phase 1 Prime"), a second phase ("Phase 2") to consist of an office building of not less than 100,000 square feet and a third phase ("Phase 3") to consist of a third commercial building of no less than approximately 100,000 square feet. To the extent of each of the three (3) proposed improvements to the real property located off Macedonia Road, also presently known as Permanent Parcel Numbers 795-17-032, 795-18-058, 795-18-034, 795-18-029, and 795-28-001; the Southerly sixty-five (65) feet of Permanent Parcel Numbers 795-18-057, 795-18-033, 795-18-032 and 795-18-031; Permanent Parcel Numbers 795-18-030, 795-28-006, 795-28-013 and 795-28-005; which are all within the Village of Oakwood (hereinafter "Village"), all of which are located within Oakwood Community Reinvestment Area No. 1, and are now owned by Premier or its successor in interest, which increased or will increase the market value of the real property improvements, the value of which 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)(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 value to the County Auditor by the Village Housing Officer after the completion of each phase of each building (as to each phase of improvement separately, its

"Certification Date"). Said exemption shall cover seventy-five per cent (75%) of the dollar amount by which the improvements increase the market values of the real property improvements, for the period of 15 years after each of the phase's improvements' Certification Date. Any additional development on the balance of Permanent Parcels already presented or land contiguous to the subject parcels, similar in nature to the presently proposed, will be granted similar tax incentives provided such development occurs within six (6) years of the date of 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 these facilities, and items related thereto, as and for additional economic incentives to Premier for its project within the Village.

SECTION 2. To the extent permitted by law, as to each phase of improvement, the period of said exemption shall terminate before the end of fifteen (15) years of each phase's improvements' Certification Date, 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 in accordance with the Village's code and ordinances due to the negligence of the owner. To the extent permitted by law, as to each phase of improvement, the exemption(s) shall be granted separately for each tax parcel within or comprising each structure that constitutes part of the development so that the exemption period will commence upon completion of phase's improvements to such tax parcel. Each of the Village and Premier acknowledge that, to the extent possible, the exemption shall be granted upon separate identified parcels of property which are occupied by specific occupants such that the specific occupants have both the benefit and risk of the exemption as to such specific tenant's occupied premises.

SECTION 3. Premier agrees to pay the sum of Forty Thousand Dollars (\$40,000.00) per year for a period of fifteen (15) years to the Board of Education of the Bedford City School District (hereinafter "Board"). Premier agrees to commence said payments in the second year following the first year in which Premier receives a tax abatement for any of the improvements upon the parcels 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. 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 this abatement for an abatement, and for the remaining duration of the existing abatement, provided this 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, if required by such State law.

SECTION 5. A Municipal Income Tax Revenue Sharing Agreement between the Village of Oakwood and the Board, a copy of which is attached hereto and 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 6. 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 benefitting the residents of the Village, therefore, provided it receives two-third (2/3) of the vote

benefitting the residents of the Village, 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: January 26, 2021

Johnnie A. Warren, President of Council

John A. Warren

Debra L. Hladky
Debra L. Hladky, Clerk of Council

Presented to the
Mayor January 27, 2021

Approved: January 27, 2021
Gary V. Gottschalk
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. 2021-03 was duly and regularly passed by this Council at the meeting held on the 26 day of January, 2021.

Debra L. Hladky
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. 2021-03 was duly posted on the 28 day of January, 2021, and will remain posted for a period of fifteen (15) days thereafter as provided by the Village Charter and as determined by the Council of the said Village.

DATED: January 28, 2021 _____
Debra L. Hladky, Clerk of Council

EXHIBIT A

Village of Oakwood
Community Reinvestment Area (CRA) 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):

Premier Oakwood, LLC
Property Owner

Kevin M. Dallahan
Contact Person

EIN 83-3466470
Property Owner

216 341 1200
Daytime Phone #

5301 Grant Ave., Suite 100, Cleveland,
Business Name

Kevin@premierdevelop.com
Email & Website Address

Ohio 44125
Mailing Address & Federal Tax ID#

- (b) Business Organization:

Corporation, Partnership, Sales Proprietorship, LLC, Joint Venture, Franchise, Start-Up or Other (specify)

Ohio limited liability company

- (c) List primary 6-digit North American Industry Classification System (NAICS) # 531190

2. 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.

Light Industrial (I-1) District Uses per applicable zoning code

3. Description of Proposed Facility

(a) Site Address: _____

(b) Permanent Parcel # (s) _____

(c) Cost of Land: _____

(d) Project Timeline: Will Begin _____ Be Completed _____

(e) Building Description: _____

4. Project Description & 5-Year Business Plan

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

5. 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) \$ _____
- (b) Renovation/Expansion to Existing Building(s) \$ _____
- (c) Construction of New Building(s) \$ _____
- (d) Machinery & Equipment \$ _____
- (e) Furniture & Fixtures \$ _____
- (f) Inventory \$ _____
- Total New Project Investment \$ _____

6. Employment Opportunities @ proposed Project Site in Oakwood:

- (a) _____ Current # Employees
- (b) _____ 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? Yes _____ No _____
- (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:

- (e) _____ 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 3
- (h) _____ Estimate Annual Payroll for Year 5

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

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

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

8. Delinquencies

Does the Property Owner/Applicant owe:

- (a) Any delinquent taxes to the Federal Govt. State of Ohio or a political subdivision?
Yes _____ No X
- (b) Any moneys to the Federal Government, State or a state agency for the administration or enforcement of any environmental laws? Yes _____ No X
- (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?
Yes _____ No X
- (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?
Yes _____ No X
- (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.

Premier Oakwood, LLC

Name & Title of Property Owner (Typed or printed)

By: Premier Managers, LLC, its Manager

Signature & Date Kevin R. Collahan, Manager

Submit complete application to:

Gary V. Gottschalk

Mayor

Village of Oakwood

24800 Broadway Avenue

Oakwood Village, Ohio 44146

Phone: (216) 346-7073

dhammett@oakwoodvillageoh.com

A copy of this proposal will be forwarded by the Village of Oakwood to the Board of Education of the Bedford City School District along with notice of the meeting date on which Oakwood Village will review the proposal. Notice must be given a minimum of fourteen (14) days prior to the scheduled meeting to permit the Board of Education to appear and/or comment before the Oakwood Village Council considering the request.

A copy of the proposal will be attached to the final Community Reinvestment Area Agreement as Exhibit A and will be forwarded to the Ohio Department of Taxation and the Ohio Development Services Agency within fifteen (15) days of final approval.

Addendum to Community Reinvestment Area Application

This Addendum to Community Reinvestment Area ("CRA") Application ("Addendum") is made a part of that certain Village of Oakwood, Ohio Community Reinvestment Area Application to which it is attached.

3(a). Site Address: Land accessed from Alexander Rd., Oakwood Village, Ohio (address not yet assigned).

3(b). Permanent Parcel #(s): 795-28-001, 795-18-029, 795-18-030, 795-17-032, 795-28-013, 795-28-005, 795-18-058, 795-28-006, 795-18-034 and portions of backyards of PPN 795-18-033, 795-18-032, 795-18-031, and 795-18-057.

3(c). Approximately \$2,500,000-\$2,750,000.

3(d). Will Begin: 2021-2022 Be Completed: 2026 – as demand dictates.

3(e). Proposed initial commercial building to be constructed accommodating a light manufacturing facility of approximately 250,000 square feet ("Phase 1"), to be expandable to approximately 400,000 square feet land acquisition and market demand permitting ("Phase 1 Prime"), a second phase ("Phase 2") to consist of an office building of no less than 100,000 square feet and a third phase ("Phase 3") to consist of a third commercial building of no less than approximately 100,000 square feet. Notwithstanding the foregoing, Developer shall have the right to alter or forgo Phase 3 based on the demand in the market place.

4. Existing and new products or services which will result from this Project will be determined by the business of the tenants of the Project. Developer has and will continue to market the Project to tenants who have office, laboratory, light manufacturing and other uses permissible within the Oakwood Village Light Industrial (I-1) District.

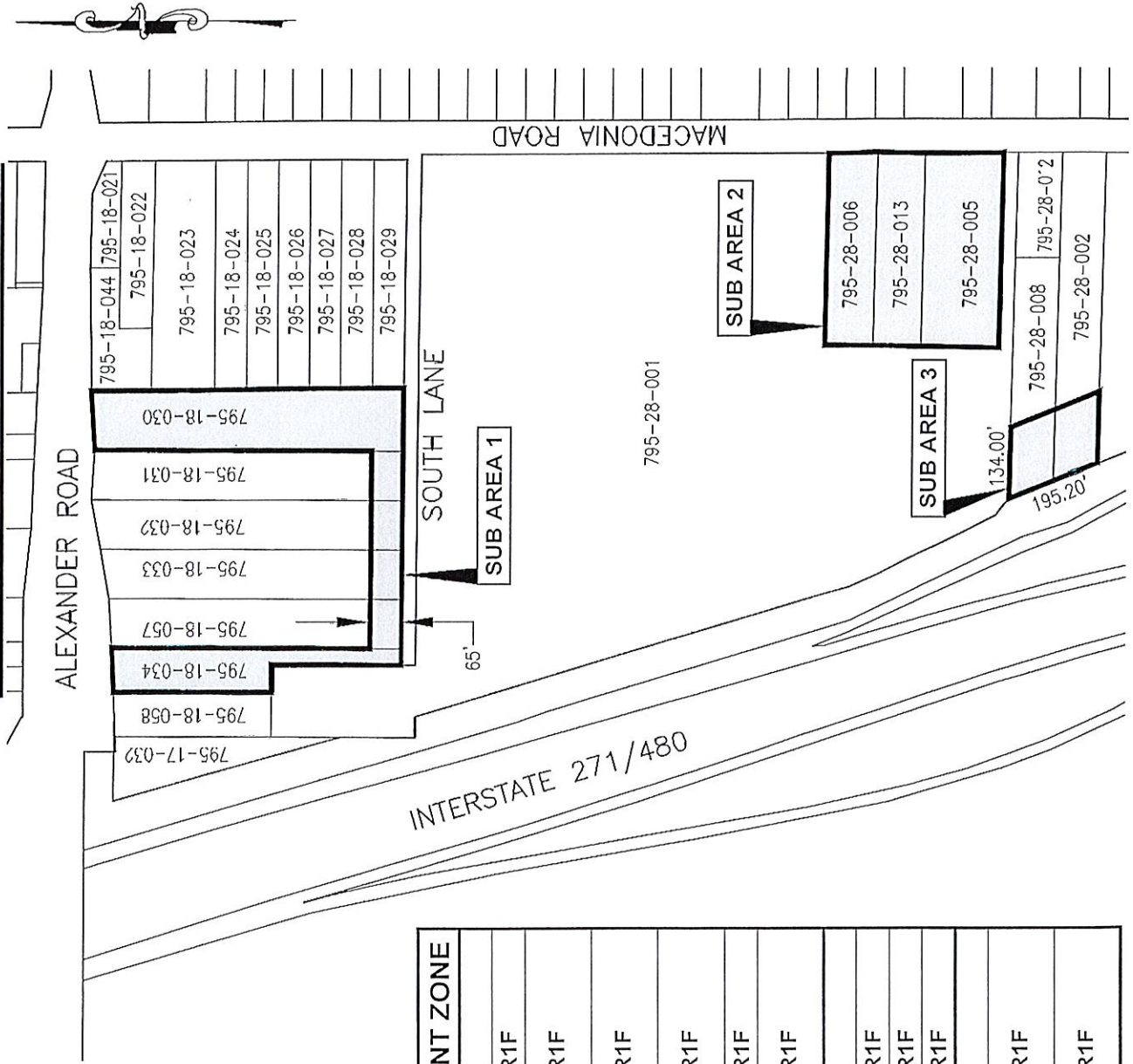
5(a).	Acquisition of Existing Building(s)	N/A
5(b).	Renovation/Expansion to Existing Building(s)	N/A
5(c).	Construction of New Building(s)	Phase 1 \$16,250,000 Phase 1 Prime \$9,750,000 Phase 2 \$15,000,000 Phase 3 \$15,000,000
5(d).	Machinery & Equipment	as determined by future tenants
5(e).	Furniture & Fixtures	as determined by future tenants
5(f).	Inventory	as determined by future tenants
Total New Project Investment		<u>\$55,000,000 - \$60,000,000</u>
6(a).	Current # Employees	as determined by future tenants

- 6(b). Current Annual Payroll as determined by future tenants
- 6(c). Relocation and/or Consolidation of Operations unknown at this time and will be determined by future tenants.
- 6(d). Unknown at this time and will be determined by future tenants.
- 6(e). Unknown at this time and will be determined by future tenants.
- 6(f). Estimated Annual Payroll for Years 2022 – 2023 (on an annualized basis) \$15 million.
Estimated Annual Payroll for Years 2026 – 2027 (on an annualized basis) \$32.5-35 million.
- 7(a). CRA: abatement of 75% for 15 years covering real property improvements described above. .41 Tax Increment Financing (TIF): The Bedford City School District (BCSD) will not receive any portion of the real property taxes that would have been distributed to it by the County Treasurer but for the TIF exemption. For the second 15 years the BCSD receives 100% of the amount it would have received but for the TIF exemption.
- 7(b). In order to attract tenants, allow for wetlands remediation and also to induce residents to vote for necessary rezoning for the project by providing access to the project site from Alexander rather than Macedonia Road, providing screening/beautification along Macedonia Road for nearby residents and providing a multi-purpose trail along Macedonia to Alexander Road.

EXHIBIT A

AREAS REZONED TO LIGHT INDUSTRIAL I-1

FROM RESIDENTIAL R1F



PARCEL NO.	PRESENT ZONE
SUB AREA 1	
795-18-030	R1F
795-18-031 South 65 Feet	R1F
795-18-032 South 65 Feet	R1F
795-18-033 South 65 Feet	R1F
795-18-034	R1F
795-18-057 South 65 Feet	R1F
SUB AREA 2	
795-28-005	R1F
795-28-006	R1F
795-28-013	R1F
SUB AREA 3	
795-28-002 West 134 Feet	R1F
795-28-008 West 134 Feet	R1F

EXHIBIT B

MUNICIPAL INCOME TAX REVENUE SHARING AGREEMENT

This Agreement is made this _____ day of _____, 2020 by and between the Village of Oakwood (hereinafter "Village") and the Board of Education of the Bedford City School District (hereinafter "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 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 the 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, Premier Oakwood LLC (hereinafter "Developer"), has proposed development in the Village's Community Reinvestment Area No. 1 which will result in the abatement of real property taxes for a certain period of time; and

WHEREAS, due to the fact the Village needs to enter into Municipal Job Creation Income Tax Credit Agreements with certain potential tenants for a five (5) year period as an enticement to locate their facilities within the Village of Oakwood; and

WHEREAS, the Village offered the residents of Ward 4 a Home Exterior Maintenance Credit for a five (5) year period to encourage them to vote to rezone the Project site in their ward from Single Family Residential to Light Industrial; and

WHEREAS, the Village and District desire to enter into this Municipal Income Tax Revenue Sharing Agreement (hereinafter "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 Developer is proposing to build a series of up to three commercial buildings, the first a combined light manufacturing/distribution/administrative office facility being approximately 250,000 square feet in size (expandable to approximately 400,000 square feet, land acquisition and market demand permitting), the second a 3-story office building of no less than 100,000 square feet in size, and the third a 2 to 3-story office building being no less than approximately 100,000 square feet in size located off Macedonia Road on property presently known as Permanent Parcel Numbers 795-17-032, 795-18-058, 795-18-034, 795-18-029 and 795-28-001; the Southerly sixty-five (65) feet of Permanent Parcel Numbers 795-18-057, 795-18-033, 795-18-032 and 795-18-031; Permanent Parcel Numbers 795-18-030, 795-28-006, 795-28-013 and 795-28-005; within the Village (hereafter "Project"), which is located in the Village's Community Reinvestment Area No. 1.
2. The Village is proposing to grant Developer or its successors in interest a 75% real property tax abatement for any increase in fair market value to the property caused by the

construction of each of the three buildings comprising the Project for a Fifteen (15) year period for each phase of each building.

3. During the first Five (5) tax abatement years 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 each of such years an amount equal to Zero percent (0%) 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 each of the Project's buildings. During any subsequent tax abatement years falling within the first fifteen (15) years after the first year in which tax abatements are granted and 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 each of such years the greater of Two hundred thousand and 00/100 Dollars (\$200,000.00) or an amount equal to Twenty Two & One Half percent (22½%) of the income tax revenues received by the Village as a result of the occupancy by way of lease, ownership or otherwise of an employer in each of the Project's buildings.
4. The Village agrees to submit such payment to the District no later than June 1st 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

By: _____

Mayor Gary V. Gottschalk

The Board of Education of the Bedford City School District

By: _____

Superintendent Andrea Celico

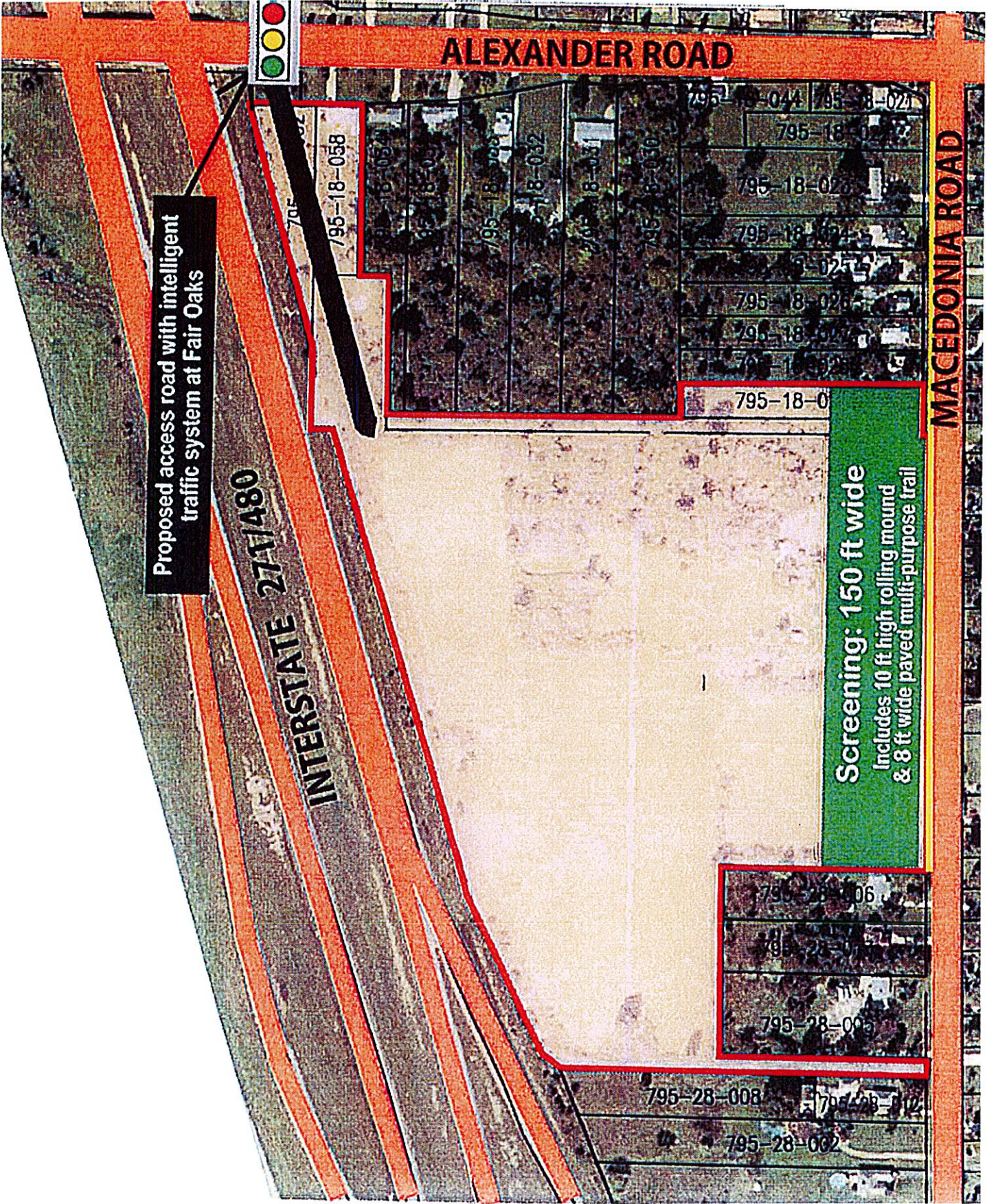
APPROVED AS TO FORM:

By: _____

President of the Board of Education

James A. Climer

Law Director, Village of Oakwood, Ohio



Proposed access road with intelligent traffic system at Fair Oaks

INTERSTATE 271/480

ALEXANDER ROAD

MACEDONIA ROAD

Screening: 150 ft wide
Includes 10 ft high rolling mound
& 8 ft wide paved multi-purpose trail

795-18-058

795-18-059

795-18-060

795-18-061

795-18-062

795-18-063

795-18-064

795-18-065

795-18-066

795-18-067

795-18-068

795-18-069

795-18-070

795-18-071

795-18-072

795-18-073

795-18-074

795-18-075

795-18-0

795-28-006

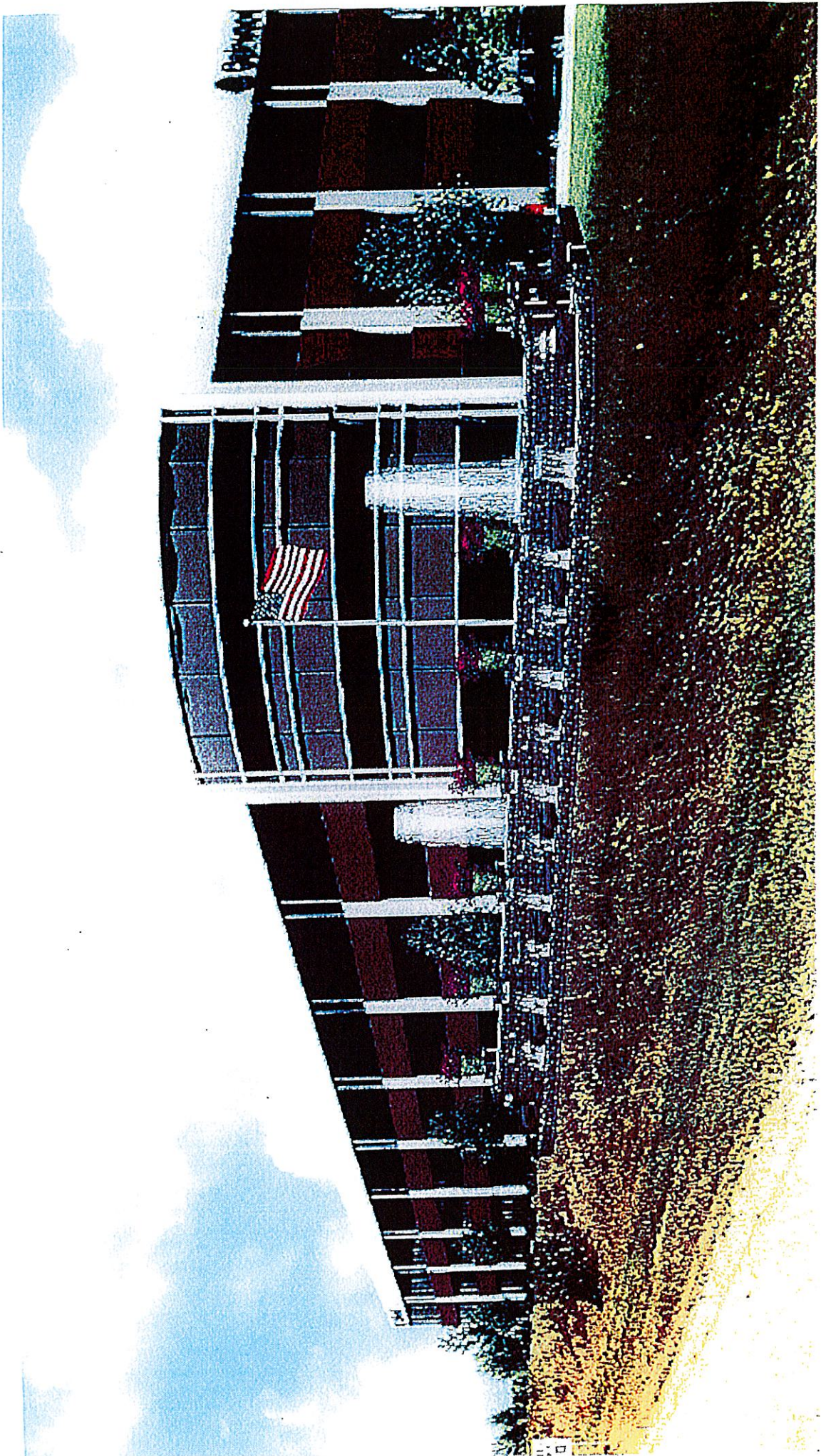
795-28-007

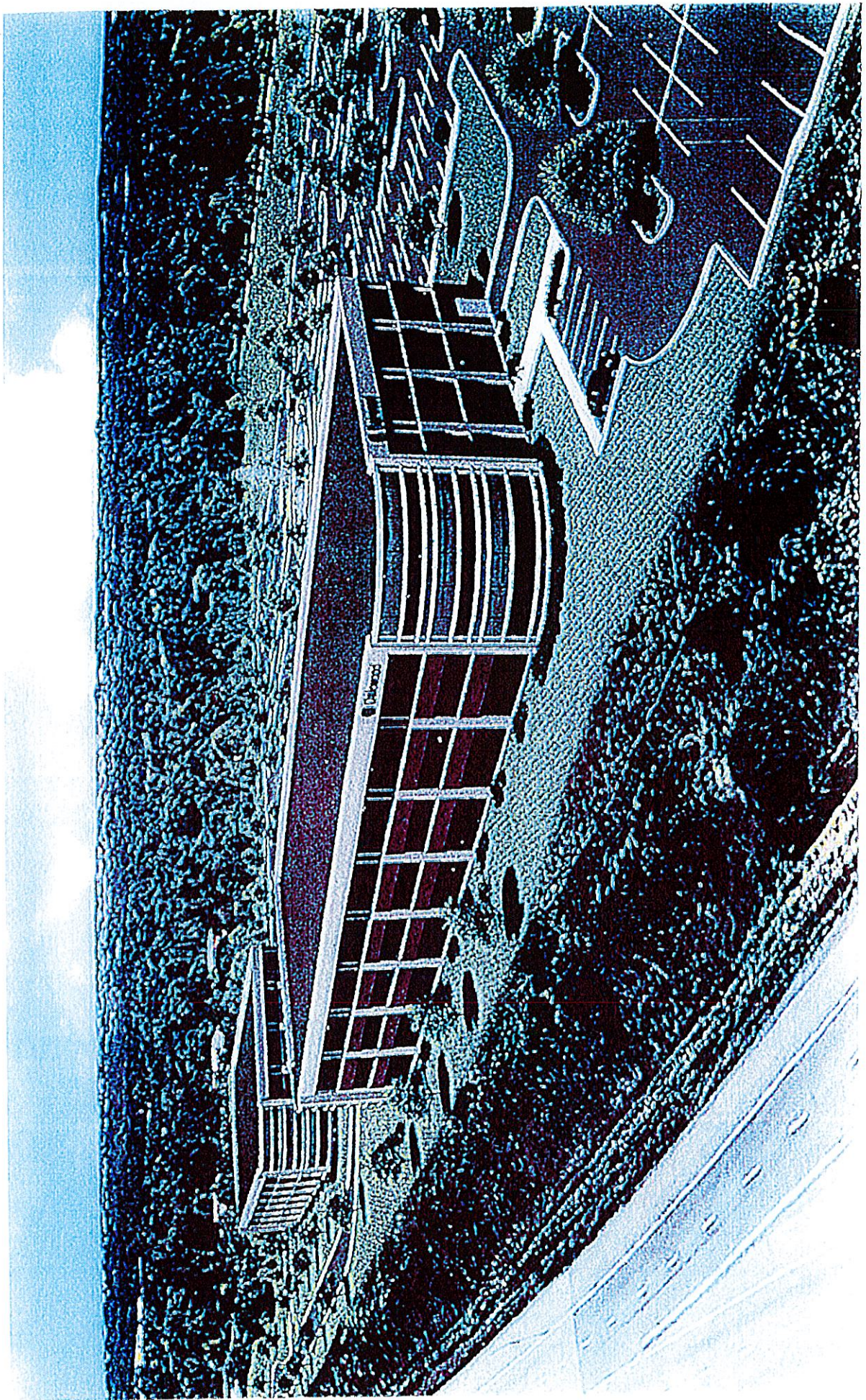
795-28-008

795-28-008

795-28-012

795-28-002





VILLAGE OF OAKWOOD

Proud & Progressive

I  OAKWOOD

11



Oakwood
Corporate Park

