

ORDINANCE NO. 2022-70

INTRODUCED BY MAYOR AND COUNCIL AS A WHOLE

**AN ORDINANCE DECLARING IMPROVEMENTS TO CERTAIN PARCELS OF REAL PROPERTY TO BE A PUBLIC PURPOSE, DESCRIBING THE PUBLIC INFRASTRUCTURE IMPROVEMENTS TO BE MADE TO BENEFIT THOSE PARCELS, REQUIRING THE OWNERS OF THE IMPROVEMENTS THEREON TO MAKE SERVICE PAYMENTS IN LIEU OF TAXES, ESTABLISHING THE EXCHANGERIGHT NET-LEASED PORTFOLIO 52 DST MUNICIPAL PUBLIC IMPROVEMENT TAX INCREMENT EQUIVALENT FUND FOR THE DEPOSIT OF SUCH SERVICE PAYMENTS, REPEALING ORDINANCE 2021-87 AND DECLARING AN EMERGENCY**

**WHEREAS**, Exchangeright's tenant, SAM's Club, intends to renovate its facility at 23300 Broadway Ave.; and

**WHEREAS**, this Council previously passed Ordinance 2021-87 awarding Tax Increment Financing Incentives to T Hawthorne Valley OH when, in fact, Exchangeright Netleased Portfolio 52 DST is the proper recipient of said incentives; and

**WHEREAS**, Ohio Revised Code Sections 5709.40(B), 5709.42 and 5709.43 (the "Act") provide that Council of the Village of Oakwood, Ohio may describe Public Infrastructure Improvements ("Public Improvements") to be made which benefit certain parcels, declare Improvements (as defined in Revised Code Section 5709.40(A)) with respect to such parcels of real property located in the Village to be a public purpose, thereby exempting those Improvements from real property taxation for a period of time, provide for the making of service payments in lieu of taxes by the owners of such Improvements, and establish a municipal public improvement tax increment equivalent fund into which such service payments shall be deposited; and

**WHEREAS**, the Public Improvements are generally described in Exhibit A hereto and will directly benefit certain parcels of real property located within the Village; and

**WHEREAS**, the Village wishes to declare one hundred percent (100%) of the Improvements, as defined by Section 5709.40(A) of the Revised Code, to be a public purpose, thereby wholly exempting the Improvements from real property taxation; and

**WHEREAS**, the Village has determined that it is necessary and appropriate and in the best interests of the Village to provide for service payments in lieu of taxes pursuant to Section 5709.42 of the Ohio Revised Code; and

**WHEREAS**, the Public Improvements will directly benefit several parcels of real property located in the Village (the "Properties"), the Permanent Parcel Numbers of which are listed in Exhibit B attached hereto and incorporated by reference herein; and

**WHEREAS**, notice of the above described property tax exemptions have been transmitted to the Board of Education of the Bedford City School District (the "School District") pursuant to Ohio Revised Code Sections 5709.40 and 5709.83:

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

**SECTION 1.** The Public Improvements described in Exhibit A hereto and anticipated to be made by the Village are hereby designated Public Improvements that directly benefit, or that once made, will directly benefit the Properties which are set forth in Exhibit B hereto and incorporated herein.

**SECTION 2.** Pursuant to and in accordance with the provisions of Ohio Revised Code Section 5709.40(B), Council hereby finds and determines that one hundred percent (100%) of the increase in the assessed value of the Properties that would first appear on the tax list and duplicate of real and public utility property after the effective date of this Ordinance (which increase in assessed value is herein referred to as the "Improvements" as defined in Section 5709.40(A)) is a public purpose, and one hundred percent (100%) of said Improvement is hereby declared to be a public purpose for a period of thirty (30) years and exempt from taxation commencing with the tax year in which an Improvement first appears on the tax list and duplicate of real and public utility property and that begins after the effective date of this Ordinance and ending on the earlier of (1) the date the Improvements have been exempted from taxation for a period of thirty (30) years or (2) the date on which the Village has collected into the Fund established in Section 4 hereof a total amount sufficient to pay those costs of the Public Improvements authorized in Section 4 hereof which are to be paid from that Fund.

**SECTION 3.** As provided in Section 5709.42 of the Revised Code, the Owners of the Improvements are hereby required to, and shall make, Service Payments in lieu of taxes to the Cuyahoga County Treasurer semi-annually, on or before the date on which real property taxes would otherwise be due and payable for the Improvements. In accordance with Section 5709.42 of the Revised Code, the Cuyahoga County Treasurer shall distribute a portion of the Service Payments directly to the School District in an amount equal to the property tax payments the School District would have received had the Improvements not been exempted under this Ordinance. The Service Payments when distributed to the Village by the Cuyahoga County Treasurer shall be deposited in the Exchangeright Municipal Public Improvement Tax Increment Equivalent Fund by Section 4 hereof. Council hereby authorizes and directs the Mayor, Finance Director, Law Director, and other appropriate officers of the Village, to provide such information and certifications, to sign and deliver any necessary property tax exemption applications and execute and deliver or accept delivery of such instruments, as are necessary and incidental to obtaining the exemptions, and to make such arrangements as are necessary and proper for payment of said service payments in lieu of taxes.

**SECTION 4.** Council hereby establishes pursuant to and in accordance with the provisions of Section 5709.43 of the Ohio Revised Code, the Exchangeright Municipal Public Improvement Tax Increment Equivalent Fund (the "Fund"), into which shall be deposited all of the Service Payments in lieu of taxes distributed to the Village with respect to the Improvements on the Properties or on behalf of the Cuyahoga County Treasurer as provided in Section 5709.42 of the

Ohio Revised Code, and hereby provides that all of the moneys deposited in the Fund shall be used solely for the following purposes:

- (i) To pay any and all direct and indirect costs of the Public Improvements, including to reimburse the Village for any such costs incurred; and
- (ii) To pay the interest on and principal of bonds or notes, including refunding bonds or notes, or other loans, issued by the Village to finance those costs of the Public Improvements provided in clause (i) above until such notes or bonds are paid in full.

The Fund shall remain in existence so long as such Service Payments are collected and used for the aforesaid purposes, after which said Fund shall be dissolved in accordance with said Section 5709.43.

**SECTION 5.** Pursuant to Section 5709.40 of the Ohio Revised Code, the Clerk of the Council is hereby directed to deliver a copy of this Ordinance to the Director of the Department of Development of the State of Ohio within fifteen (15) days after its passage. On or before March 31 of each year that the exemption set forth in Section 2 hereof remains in effect, the Finance Director or other authorized officer of this Village shall prepare and submit to the Director of the Department of Development of the State of Ohio the status report required under Section 5709.40 of the Ohio Revised Code.

**SECTION 6.** The Clerk of Council shall post copies of this Ordinance as provided by the Charter and Codified Ordinances of the Village.

**SECTION 7.** Ordinance 2021-87 be and hereby is repealed.

**SECTION 8.** 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 the immediate necessity of providing funding for the Public Improvements so that such Public Improvements be constructed on a timely basis for the benefit of the environment and the residents of the Village and Northeast Ohio, therefore, provided it receives two-thirds (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: 12/30/2021

  
Christine Morgan, Clerk of Council

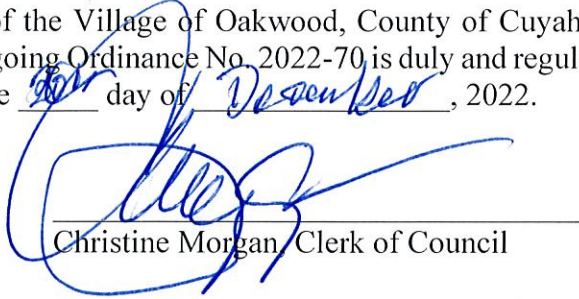
  
Johnnie A. Warren, President of Council

Presented to the Mayor 1/3/2023

Approved: 1/3/2023

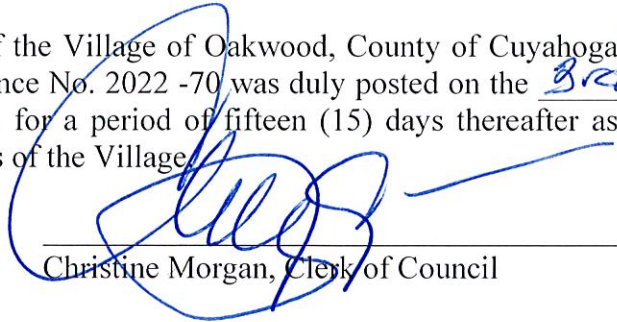
  
\_\_\_\_\_  
Mayor, Gary V. Gottschalk

I, Christine Morgan, Clerk of Council of the Village of Oakwood, County of Cuyahoga and State of Ohio, do hereby certify that the foregoing Ordinance No. 2022-70 is duly and regularly passed by this Council at the meeting held on the 13 day of December, 2022.

  
\_\_\_\_\_  
Christine Morgan, Clerk of Council

**POSTING CERTIFICATE**

I, Christine Morgan, Clerk of Council of the Village of Oakwood, County of Cuyahoga and State of Ohio, do hereby certify that Ordinance No. 2022 -70 was duly posted on the 3rd day of January, 2022 and will remain posted for a period of fifteen (15) days thereafter as provided by the Charter and Codified Ordinances of the Village.

  
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Christine Morgan, Clerk of Council

DATED: 1/3/2023

## **EXHIBIT A**

### **The Public Infrastructure Improvements**

#### **DESCRIPTION OF THE PUBLIC IMPROVEMENTS**

The Public Improvements consist of the construction of public streets, streetscape, utilities (including but not limited to storm water drainage, sanitary sewerage and water facilities), street and intersection improvements, bridges, pedestrian bridges, off-street public parking facilities, and utility connections, all in and around the Project Site, including, as necessary, dredging, grading, draining, paving, resurfacing, sidewalks, curbs, landscaping and fire hydrants, and installing street lighting and traffic control devices, the acquisition and construction of public parks, including the acquisition of real property or interests therein and any demolition and environmental remediation if necessary in connection with all of those public improvements.

The Public Improvements also include the construction of or improvements to any other public streets, utilities or other public facilities including, but not limited to, landscaping improvements such as durable plantings and rock formations, multi-purpose trails to encourage on-site walkers, artistic ambient lighting fixtures and cultural facilities in and around the property or serving the exempted properties, including land acquisition and installation and construction of utilities and all other necessary appurtenance, as well as related capital equipment purchases.

All of the above-mentioned Public Improvements are hereby determined to be Public Infrastructure Improvements (as defined in Revised Code Section 5709.40) and will benefit certain parcels of real property as set forth in Ordinance No. 2022 - \_\_\_\_\_. All of the above-mentioned Public Improvements are anticipated to be made, subject to further approval by Council.

**EXHIBIT B**

All of the following properties located within the Village:

795-06-017