

To Codified? 1st Read 1/20/21 2nd Read 1/21/21 3rd Read 1/26/21 Under Suspension tabled 1/26/21

BY:

ORDINANCE NO. -2021- 04

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 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, pursuant to Ordinance No. ___ - 2020, acquired Permanent Parcel Number(s) 795-28-001, and pursuant to Ordinance No(s). ----- -- and -----, acquired title to additional parcels of real property located in the Village of Oakwood, more fully described as Permanent Parcel Nos. 795-17-032, 795-18-058, 795-18-034, 795-18-029 and; the Southerly sixty-five (65) feet of Permanent Parcel Numbers 795-18-057, 795-18-033, 795-18-032 and 795-18-031; and Permanent Parcel Numbers 795-18-030, 795-28-006, 795-28-013 and 795-28-005 (collectively, the "Property") as shown on Exhibit A hereto, all located within the Village, and has conveyed and re-conveyed title to the Property to Premier Oakwood, LLC (the "Developer"), for the purpose of urban redevelopment of the Property pursuant to the 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 dated December 2018 which was approved by the Oakwood Village Council on or about January 19, 2019 in Ordinance No. 2019-09; and

WHEREAS, Developer has, pursuant to the Development Agreement between Village and Developer, effective _____, 2021, agreed to redevelop the Property by the construction of a commercial real estate project (the "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 on Exhibit B, thereby creating jobs and employment opportunities for the residents of the Village and Cuyahoga County; and

WHEREAS, certain infrastructure improvements are required in order for Developer to proceed with the development of the Property, which include grading, a public road, utilities, and other infrastructure as further described in more detail on Exhibit C attached hereto (collectively,

the "Improvements"). The Improvements include certain improvements to certain portions of the Property.

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 a 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 City'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 as Exhibit D (the "Compensation Agreement") pursuant to which the School District has waived all required notices and/or consents.

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 Exhibit B hereto and further described in more detail in Exhibit C, to be constructed by the Developer 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 Bedford City School District in substantially the form attached hereto as Exhibit D, with such changes therein as are not adverse to the City, 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 is 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 School Compensation Agreement. The remaining Service Payments, when distributed to the Village by the County Treasurer, shall be deposited in the Oakwood Business Park Urban Redevelopment Tax Increment Equivalent Fund (the "Fund") established in Section 5 hereof. This Council hereby authorizes the Mayor, the Director of Finance and 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 Developer 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 Developer 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 City.

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 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 of the Development Services Agency of the State of Ohio 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 City, 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 take advantage of time-sensitive economic development opportunities beneficial to the Village and its residents; 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 March 16, 2021

ATTEST: Rebecca H. Hays
Clerk of Council

FILED WITH MAYOR: Mar. 17. 2021

John A. Warner
President of Council

APPROVED: March 18. 2021
Ray G. Smith
MAYOR, VILLAGE OF OAKWOOD

**EXHIBIT A
PROPERTY**

Village of Oakwood

Permanent Parcel Numbers

The entirety of the following parcels:

795-17-032
795-18-058
795-18-034
795-18-029
795-28-001
795-18-030
795-28-006
795-28-013
795-28-005

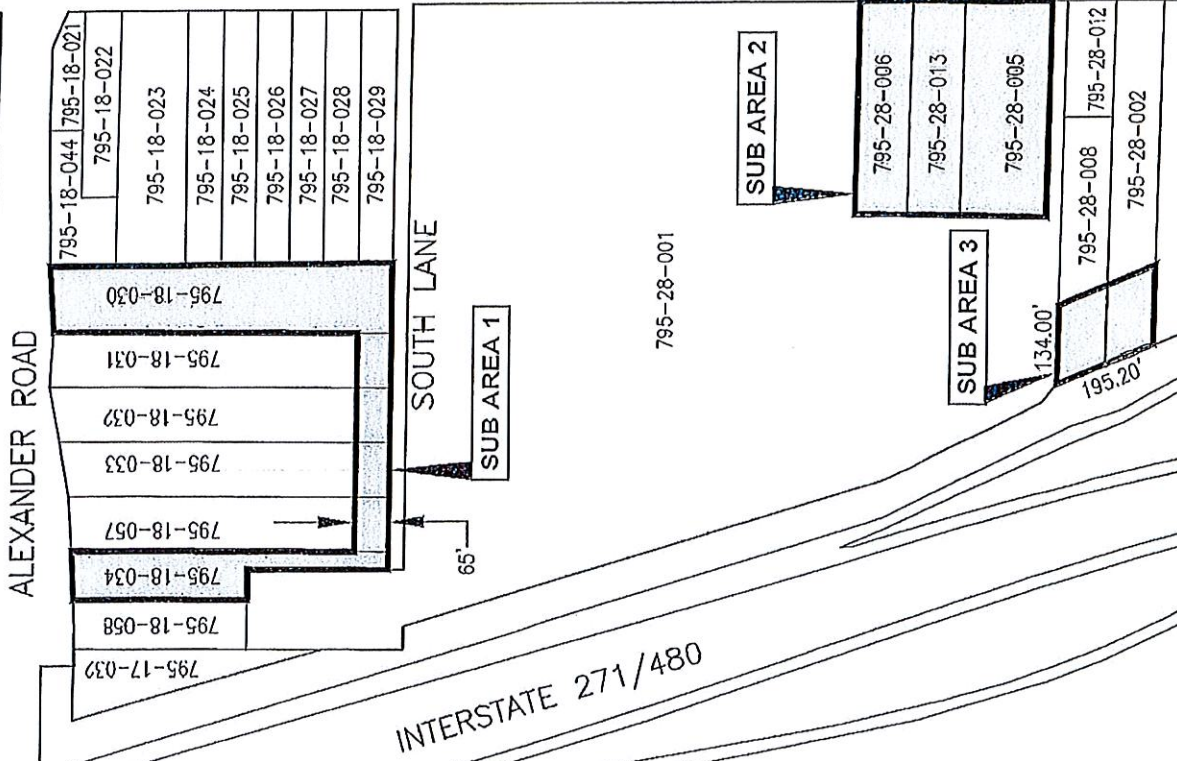
The Southerly sixty-five (65) feet of the following parcels:

795-18-057
795-18-033
795-18-032
795-18-031

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

Description of the Project

As provided for in the Development Agreement, improvements on the Project Site, to consist initially of a light manufacturing facility of 250,000 square feet ("Phase 1") to be expandable to 400,000 square feet ("Phase 1 Prime"), a second phase ("Phase 2") to consist of a second commercial building of approximately 100,000 square feet and a third phase ("Phase 3") to consist of a third commercial building of approximately 100,000 square feet.



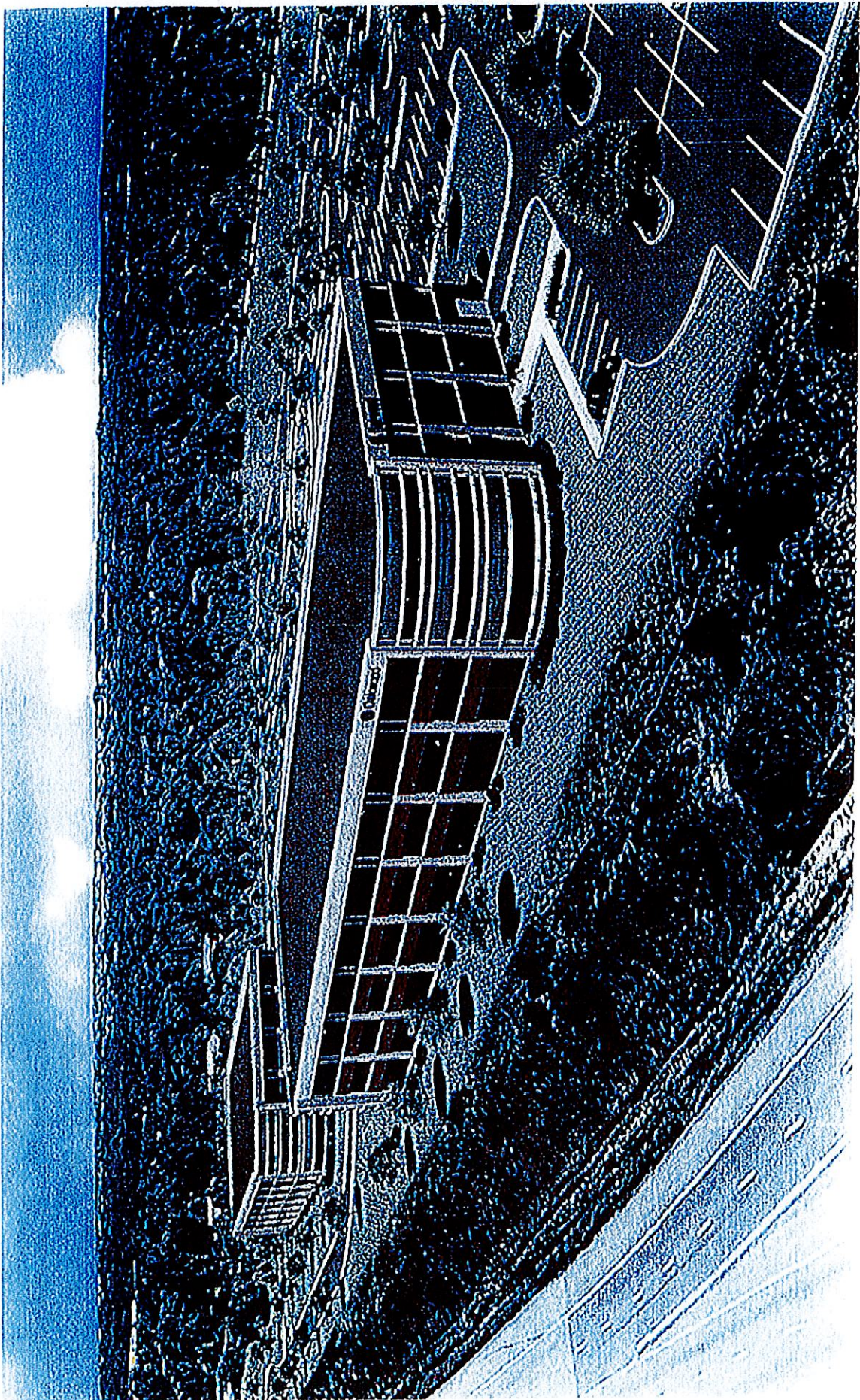
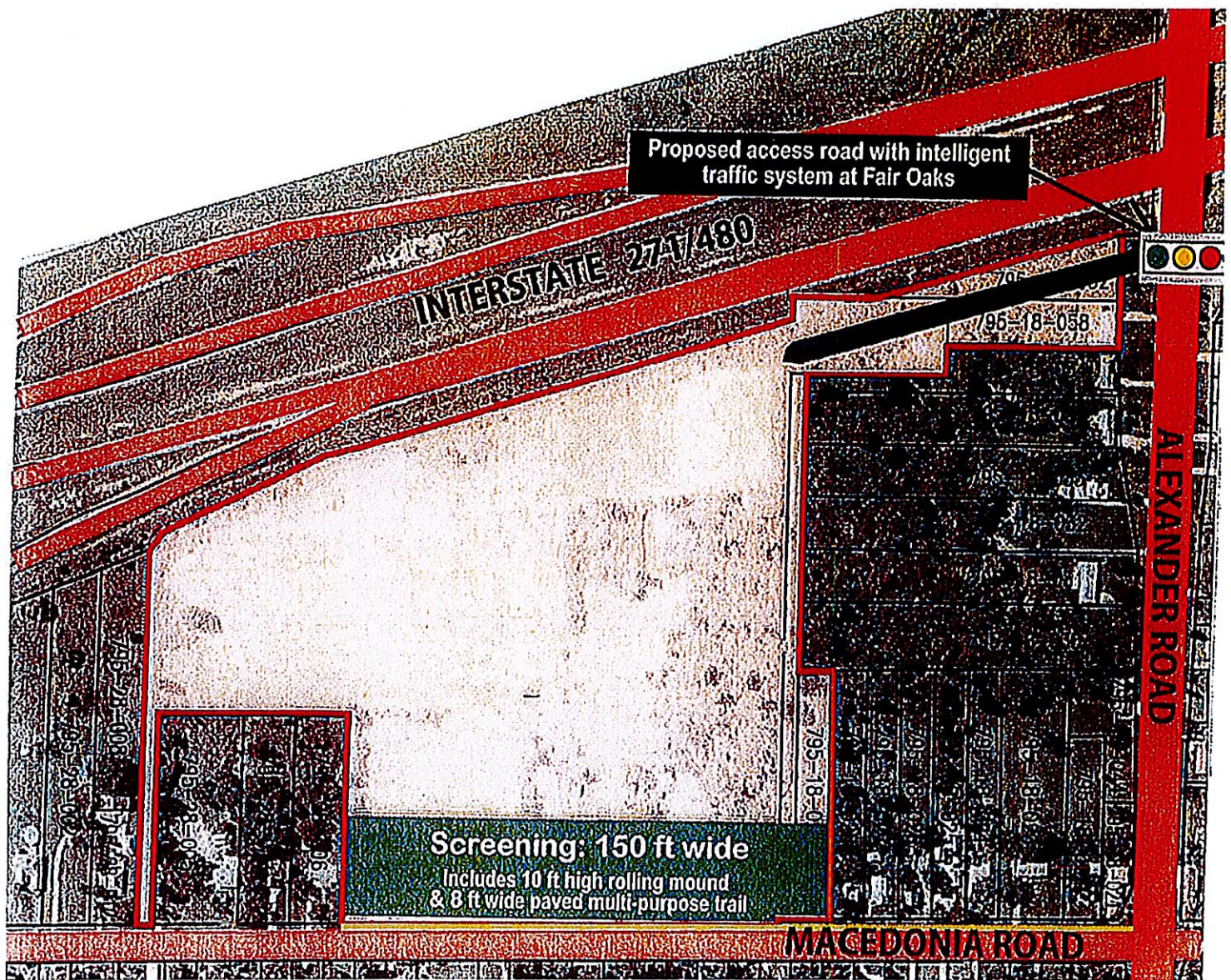


EXHIBIT C

Improvements

The Project shall include but not be limited to:

- The provision of utilities and utility connections to the Project Site including but not limited to storm water drainage, sanitary sewerage and water facilities along with all trenching and conduits for public utilities;
- Street and intersection improvements, bridges, pedestrian bridges, off-street public parking facilities;
- Construction of an access road onto the Project Site (680 feet long by 28 feet wide) including a right turn only lane onto Alexander Rd.;
- Reconstruction of the Alexander Rd/Fair Oaks Rd. intersection at the entrance to the Project Site along with signalization for said intersection;
- The purchase of property adjoining Rte 271 on Alexander Rd. as well as two homes including demolition for the above-referenced main access road;
- The acquisition of land or interests therein including but not limited to the purchase of undeveloped property along Alexander Rd. to be used as temporary access onto the Project Site to facilitate construction in late 2020 until the main access road is complete. (Includes the purchase of land, temporary fencing and re-beautification of the property when this alternative access is no longer needed);
- Screening/landscaping of the access road route;
- Dredging, grading, demolition draining, paving, resurfacing, sidewalks, curbs, landscaping, fire hydrants, street lighting and traffic control devices with respect to the foregoing;
- Environmental remediation including but not limited to wetlands mitigation of the area;
- Designing and landscaping of a 10 foot high/100 foot wide/800 foot long curvilinear, undulating mound along Macedonia Rd. with lawn and irrigation to screen the view of the Project buildings from the residents who live on Macedonia Rd.;
- The maintenance of landscaping;
- The purchase of rezoned property consisting of the rear 65 feet of four homes on Alexander Rd. including the removal of vegetation and landscaping of new rear yard boundary;
- The purchase and demolition of three homes on south Macedonia Rd. as well as other properties potentially adding to the Project Site;
- The extension of mounding for areas added to the Project Site, including those mentioned immediately above, to be compatible with the design and purpose of the original mounding and landscaping of same;
- Construction of an 8 foot wide asphalt all-purpose trail along the Project Site adjacent to Macedonia Rd. extending to Alexander (approximately 900 feet long);
- Payments to the Board of Education of the Bedford City School District and Oakwood Village for agreeing to development incentives.

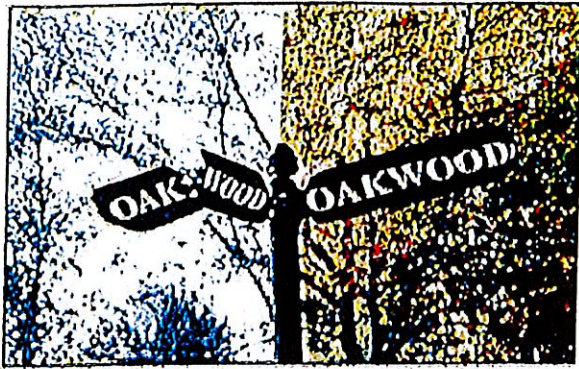


Supplemental Costs to Premier Development

\$ 230,000	Realignment of Alexander Rd/ Fair Oaks Intersection & Signalization to Handle Daily 900 More Cars
850,000	Construction of Access Road to Project Site (680' x 28')
580,000	Purchase Property for Main Access Road
310,000	Cost of Property & Construction of Temporary One-Lane Access to Project Site for Spring 2021 Start Up
400,000	Mounding/Landscaping with Irrigation System to Screen Project from Macedonia Rd Residents
300,000	Wetlands Mitigation
120,000	Landscaping Maintenance (Labor/Materials) for 5 Years
590,000	Purchase of 3 Homes on South Macedonia Rd for Parking Spaces
75,000	Purchase Backyards of 4 Homes on Alexander Rd for Parking Spaces
<u>130,000</u>	8' Wide All Purpose Trail on Macedonia Rd.

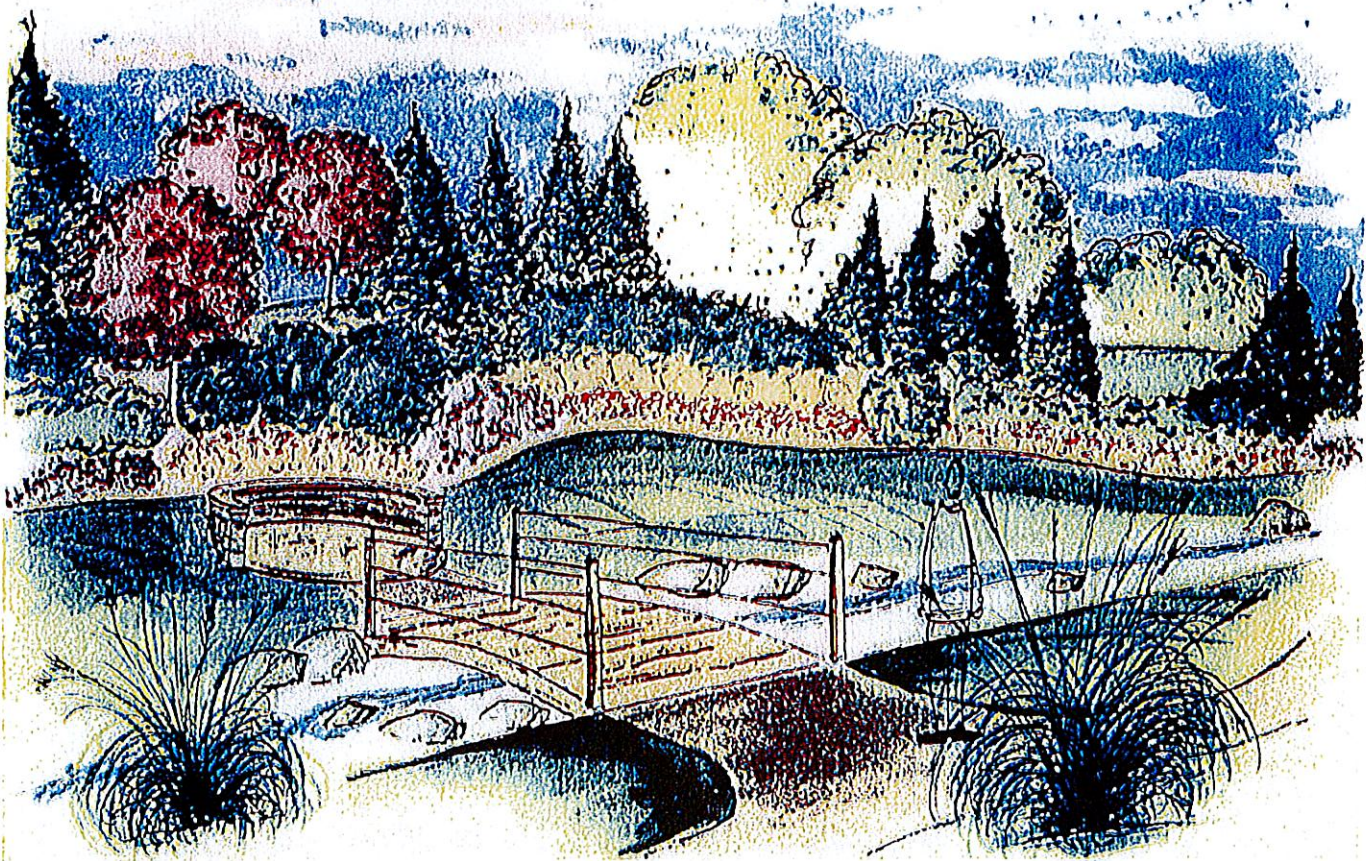
\$ 3,600,000

The Village of Oakwood is at a
CROSSROADS



VOTE YES	
ISSUES	54&52, 53
IT'S ABOUT OUR FINANCIAL VIABILITY, SAFETY, STREETS & SERVICES <i>Protect our quality of life !</i>	

KNOW WHAT IS AT STAKE!



BY PASSING ISSUE 54, this picturesque setting along the project site on Macedonia Road in Ward 4 will totally screen the future view of the two office buildings far away on the other side of this 10 foot high rolling mound. You will not find anything like this picture postcard landscaping beautifying a residential street anywhere in Ohio and it will all be paid for, including the maintenance, by the developer.



Exhibit D

School 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 at or near the intersection of Alexander and Macedonia Roads in the Village, as more fully described in Exhibit A attached hereto (the "Premier Property") including future additions to or extensions of the Premier Property, to exempt from real property taxation the Premier Property pursuant to Section 5709.41 of the Ohio Revised Code (the "TIF Statute") and to require the owners of parcels included in the Premier 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 December __, 2020, and therein (a) declare to be a public purpose the improvement to the Premier Property and authorize the execution of a Development Agreement (the "Development Agreement") between the Village and Premier Oakwood, LLC, as the Owner of the Premier Property, providing for, among other things, the exemption of the increase in value of the Premier 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 Premier 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 Premier Property (the "TIF Exemption") and for the payment of Service Payments; and

WHEREAS, to facilitate the construction of certain public and private improvements to the Premier Property and to compensate the School District for a portion of the real property taxes that the School District would have received had the Premier 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 premises 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 Premier 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 above:

(i) commencing with the first collection year in which Service Payments are received by the Cuyahoga County Treasurer (the "Treasurer") with respect to any portion of the Premier Property, and ending with the fifteenth collection year in which Service Payments are received by the Treasurer with respect to that portion of the Premier Property, the School District shall not receive any portion of the real property taxes that would have been distributed to the School District but for the TIF Exemption. For avoidance of doubt, the Premier Property will be improved by different phases of building such that improvements will be added to the tax duplicate in differing years.

(ii) commencing with the sixteenth collection year in which Service Payments are received by the Treasurer with respect to that particular portion of the Premier Property, and ending with the collection year in which 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 100% of the amounts, if any, the School District would have received but for the TIF Exemption. In addition, the Village shall cause the Developer to pay to the School District the amount of Forty Thousand Dollars (\$40,000) annually in each of the years 2024 through and including 2038.

(b) The payments specified in subsection (ii) 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 to be received by the School District in accordance with subsection (ii) 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 Premier 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. 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)(ii) 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 4. 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 5. Amendment. This Agreement may be amended or modified by the parties only in writing, signed by both parties to the Agreement.

Section 6. 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 7. 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 8. 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 9. 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 _____, 2020, 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: _____, 2020