

CITY OF STRONGSVILLE, OHIO

ORDINANCE NO. 2017 - 191

By: Mayor Perciak and All Members of Council

AN ORDINANCE DECLARING IMPROVEMENTS TO CERTAIN PARCELS OF REAL PROPERTY TO BE A PUBLIC PURPOSE, DESCRIBING THE PUBLIC IMPROVEMENTS TO BE MADE TO DIRECTLY BENEFIT SUCH PARCELS, REQUIRING THE OWNERS OF THE IMPROVEMENTS ON SUCH PARCELS TO MAKE SERVICE PAYMENTS IN LIEU OF TAXES, ESTABLISHING A **SCANNELL PROPERTIES** MUNICIPAL PUBLIC IMPROVEMENT TAX INCREMENT EQUIVALENT FUND FOR THE DEPOSIT OF SUCH SERVICE PAYMENTS PURSUANT TO OHIO REVISED CODE SECTIONS 5709.40, 5709.42 AND 5709.43, AND DECLARING AN EMERGENCY.

WHEREAS, Ohio Revised Code Sections 5709.40, 5709.42 and 5709.43 (the "Act") provide that this Council may describe public improvements to be made which directly benefit certain parcels, declare Improvements (as defined in Ohio Revised Code Section 5709.40) with respect to such parcels of real property located in the City of Strongsville (the "City") to be a public purpose, thereby authorizing the exemption of those Improvements from real property taxation for a period of time, and provide for the making of service payments in lieu of taxes by the owner of such parcels, and establish a municipal public improvement tax increment equivalent fund into which such service payments shall be deposited; and

WHEREAS, to improve the flow of traffic in and around the parcels described in **Exhibit A** hereto, as such parcels may be consolidated or split (collectively, the "Property"), this Council may cause construction of the public improvements described in **Exhibit B** hereto (collectively, the "Public Improvements"), that once made will directly benefit the Property and the City and its residents; and

WHEREAS, the City has determined that it is necessary and appropriate and in the best interests of the City to provide for service payments in lieu of taxes with respect to the Property pursuant to Section 5709.42 of the Ohio Revised Code (the "Service Payments") to pay costs of the Public Improvements; and

WHEREAS, the Strongsville City School District and Polaris Joint Vocational School District have been notified of this Ordinance consistent with Revised Code Section 5709.83.

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF STRONGSVILLE, COUNTY OF CUYAHOGA, STATE OF OHIO:

Section 1. The Public Improvements described in **Exhibit B** hereto, if made or caused to be made by the City, are hereby designated as those Public Improvements that directly benefit, or that once made will directly benefit, the Property, and are determined to be necessary for the public health, safety and welfare.

Section 2. Pursuant to and in accordance with the provisions of Ohio Revised Code Section 5709.40, and, in particular, Section 5709.40(B), this Council hereby finds and determines that 100% of the increase in the assessed value of the Property that would first appear on the tax list and duplicate of real property after the effective date of this Ordinance (which increase in assessed value is herein referred to as the "Improvement" or "Improvements" as defined in said Section 5709.40) is a public purpose, and 100% of said Improvement is hereby declared to be a public purpose for a period of 30 years and exempt from

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taxation commencing with the tax year following the year in which this Ordinance is passed and ending on the earlier of (1) the date the Improvements have been exempted from taxation for a period of 30 years or (2) the date on which the City has collected into the Fund established in Section 4 hereof a total amount of Service Payments available for and sufficient to pay the costs provided in Section 4 hereof; provided, however, that Service Payments shall be paid to the Strongsville City School District and Polaris Joint Vocational School District in the amount of the taxes that would have been payable to the Strongsville City School District and Polaris Joint Vocational School District, as applicable, if the Improvements had not been exempted from taxation. The project to be constructed on the Property is also subject to a 15-year, 100% pre-1994 Community Reinvestment Area tax abatement which is intended to take priority over the exemption granted pursuant to this Ordinance and the Property will capture the full value of the Service Payments in the latter 15 years.

Section 3. As provided in Section 5709.42 of the Revised Code, the owner or owners of the Improvement are hereby required to and shall pay the Service Payments to the County Treasurer on or before the final dates for payment of real property taxes, which Service Payments, together with any associated rollback payments, shall be deposited in the **SCANNELL PROPERTIES** Municipal Public Improvement Tax Increment Equivalent Fund established in Section 4 hereof. In accordance with Ohio Revised Code Section 5709.42, the County Treasurer shall distribute a portion of the Service Payments directly to the Strongsville City School District and Polaris Joint Vocational School District in an amount equal to the property tax payments the Strongsville City School District and Polaris Joint Vocational School District, as applicable, would have received from the portion of the Improvements exempted from taxation, had such Improvements not been exempted from taxation. This Council hereby authorizes the Mayor, Director of Finance and Law Director, and other appropriate officers of the City, to provide such information and certifications, and execute and deliver or accept delivery of such instruments, as are necessary or incidental to collect those Service Payments, and to make such arrangements as are necessary and proper for payment of the Service Payments.

Section 4. This Council hereby establishes pursuant to and in accordance with the provisions of Section 5709.43 of the Ohio Revised Code, the **SCANNELL PROPERTIES** Public Improvement Tax Increment Equivalent Fund (the "Fund"), into which shall be deposited all of the Service Payments and any associated rollback payments distributed to the City with respect to the Improvements on the Property by or on behalf of the County Treasurer, as provided in Section 5709.42 of the Ohio Revised Code, and hereby agrees that moneys in that fund shall be used for any or all of the following purposes:

(i) to pay any and all planning, engineering, acquisition, construction, installation, financing costs, and any and all other direct and indirect costs of the Public Improvements, including those costs set forth in Ohio Revised Code Section 133.15(B);

(ii) to pay the interest on and principal of bonds or notes, and premium, if any, including refunding or additional bonds or notes or other obligations issued or loans entered into by the City or other governmental entity to finance costs of the Public Improvements until such notes or bonds or other obligations or loans are paid in full, and to pay any trustee, administrative and other costs related to servicing the obligations and providing and replenishing a reserve fund and to pay any costs charged by the issuer of the obligations; and

(iii) to reimburse the City, or other governmental entity for any funds used to pay costs of the Public Improvements, or to pay interest, principal, or premium, and related costs on any of the aforesaid notes, bonds, loans or other obligations, prior to receipt of Service Payments.

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The Fund shall remain in existence so long as the 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 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 31 of each year that the exemption set forth in Section 2 hereof remains in effect, the Mayor or other authorized officer of this City 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 of the Ohio Revised Code.

Section 6. This Council finds and determines that all formal actions of this Council concerning and relating to the passage of this Ordinance were taken in an open meeting of this Council and that all deliberations of this Council and of any committees that resulted in those formal actions were in meetings open to the public in compliance with the law.

Section 7. This Ordinance is declared to be an emergency measure necessary for the immediate preservation of the public peace, health and safety of the City, and for the further reason that this Ordinance is required to be immediately effective in order to eliminate existing hazards to vehicular traffic; wherefore, this Ordinance shall be in full force and effect immediately upon its passage and approval by the Mayor, provided it receives the affirmative vote of at least two-thirds of the members of the Council, otherwise it shall take effect and be in force from and after the earliest period allowed by law.

Kenneth M. Dooner  
President of Council

Approved: Kenneth M. Dooner  
Acting Mayor

Date Passed: December 4, 2017

Date Approved: December 5, 2017

	<u>Yea</u>	<u>Nay</u>
Carbone	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Daymut	<input checked="" type="checkbox"/>	<input type="checkbox"/>
DeMio	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Dooner	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Schonhut	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Short	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Southworth	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Attest: Jimena Pientica  
Clerk of Council

ORD. No. 2017-191 Amended: \_\_\_\_\_  
 1st Rdg. 11-6-17 Ref: COW  
 2nd Rdg. 11/20/17 Ref: COW  
 3rd Rdg. 12-4-17 Ref: \_\_\_\_\_

Pub Hrg. \_\_\_\_\_ Ref: \_\_\_\_\_  
 Adopted: 12-4-17 Defeated: \_\_\_\_\_

EXHIBIT A  
THE PROPERTY

CITY OF STRONGSVILLE  
Scannell Properties TIF Parcel Number  
393-01-016

## EXHIBIT B

### DESCRIPTION OF THE PUBLIC IMPROVEMENTS

The Public Improvements consist of the widening of and other improvements to Foltz Parkway, including all intersections from Royalton Road to the southern terminus of Foltz Parkway and including Royalton Road and Drake Road from Prospect Road to the western terminuses of Royalton Road and Drake Road.

The Public Improvements further include the construction of or improvements to any other public streets, utilities and public facilities in and around the Property and directly benefiting or serving the Property.