

ORDINANCE NO. 42-2013
(As Amended)

Declaring Improvements to Real Property within the City to be a Public Purpose; Declaring such Property to be Exempt from Real Property Taxation; Describing the Public Improvements to be Made that will Directly Benefit the Parcels of Real Property; Requiring the Owners of the Real Property to Make Service Payments In Lieu of Taxes; Authorizing the City Manager to Enter Into a Tax Increment Financing Agreement with the Property Owner; and Establishing a Municipal Public Improvement Tax Increment Equivalent Fund for the Deposit of Service Payments.

WHEREAS, Ohio Revised Code (“**ORC**”) §§5709.40, 5709.42 and 5709.43 (the “**TIF Statutes**”) provide that this Council may, under certain circumstances, declare improvements to real property within the City to be a public purpose, thereby exempting those improvements from real property taxation, as well as describe certain public infrastructure improvements to be made that directly benefit the real property, provide for payments in lieu of taxes by the owners of the real property, and establish a municipal public improvement tax increment equivalent fund; and,

WHEREAS, this Council desires to encourage the development of the real property described and depicted on EXHIBIT A attached to this Ordinance (the “**Property**”) to achieve the economic development goals of the City in a manner that is consistent with the existing neighborhood; and,

WHEREAS, Premier Commercial Real Estate Services and any related entity formed for the specific purpose of developing said Property (collectively, the “**Developer**”) desires to construct on the Property a neighborhood town center comprised of commercial retail and office space (the “**Project**”); and,

WHEREAS, in connection with the construction of the Project, the City and the Developer desire to execute a tax increment financing agreement (the “**TIF Agreement**”), which TIF Agreement would provide for the construction of the Project and for the financing of certain Public Improvements, as defined below and in the TIF Agreement; and,

WHEREAS, the City is desirous of improving traffic congestion, easing pedestrian access, and increasing safety along the State Route 161 corridor as it exists particularly at the Linworth Road intersection, Franklin County, Ohio; and,

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WHEREAS, it is necessary and appropriate and in the best interests of the City to provide for the payment of annual service payments in lieu of taxes (“**Service Payments**”) by the current and future owners of the Property (each an “**Owner**,” and collectively, the “**Owners**”) with respect to the Improvements pursuant to ORC §5709.42; and,

WHEREAS, the designated public infrastructure improvements described in EXHIBIT C attached hereto (the “**Public Infrastructure Improvements**”) will directly benefit the Property; and,

WHEREAS, it is in the best interests of the City to declare the Improvements to the Property to be a public purpose, as Improvements are defined below and in ORC §5709.40(A)(4), and to provide an exemption from real property taxes as set forth in this Ordinance; and,

WHEREAS, notice of this Council’s intention to declare the Improvements exempt from real property taxes and to pass this Ordinance has been delivered to the Board of Education of the Worthington City School District (the “**Board**”) in accordance with ORC §5709.83, and this Council ratifies and affirms the delivery of such notice; and,

WHEREAS, the City intends to apply for exemptions from taxation on behalf of the Owner or Owners of the Property, pursuant to ORC §5709.911; and,

WHEREAS, this Council desires that the Public Infrastructure Improvements be constructed; and,

WHEREAS, the City has planned for, and intends to incur, the costs to construct the Public Infrastructure Improvements; and,

WHEREAS, this Council desires that a portion of the costs of the Public Infrastructure Improvements and related expenses be paid from the Service Payments made in respect to the Improvements, as the use and applicability of such Service Payments are further described in EXHIBIT C.

NOW, THEREFORE, BE IT ORDAINED by the Council of the Municipality of Worthington, County of Franklin, State of Ohio:

SECTION 1. Pursuant to and in accordance with the provisions of the TIF Statutes, this Council hereby determines and finds that it is in the best interests of the City to declare the Improvements to the Property to be a public purpose and to grant an exemption from real property taxes on those Improvements, and this Council finds and determines that seventy-five percent (75%) of the applicable increase in true value of the Property subsequent to the effective date of this Ordinance (the “**Improvements**”) is

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hereby declared to be a public purpose, with said exemption commencing on the first day of the first tax year after the effective date of this Ordinance in which the Improvements attributable to the construction of one or more completed new or redeveloped buildings on the Property first appears on the tax list and duplicate of real and public utility property, and ending on the earlier of (i) ten (10) years after such commencement date or (ii) the date on which the City can no longer require Service Payments, all in accordance with the requirements of ORC §5709.40 and ORC §5709.42.

SECTION 2. As provided in ORC §5709.42, the Owner or Owners of the Property are hereby required to, and shall make, Service Payments to the Treasurer of Franklin County (the “**County Treasurer**”) on or before the final dates for payment of real property taxes without penalty or interest, which Service Payments shall be retained by the County Treasurer or remitted to the City for deposit in the TIF Fund (as defined below), pursuant to ORC §5709.40 and ORC §5709.42 and as provided in Section 4 of this Ordinance. Each Service Payment shall be in the same amount as the real property taxes that would have been charged and payable against the Improvements (after credit for any other payments received by the City under ORC §319.302) had an exemption from taxation not been granted, and otherwise shall be in accordance with the requirements of the TIF Statutes. Any late Service Payments shall be subject to penalty and bear interest at the then current rate established under ORC §323.121(B)(1) and ORC §5703.47 or any successor provisions thereto, as the same may be amended from time to time (the payment of penalties and interest are collectively referred to herein with the annual service payments in lieu of taxes and any related amounts received by the City under ORC §319.302 as the Service Payments).

Any Service Payments paid under this Section shall be allocated and deposited in accordance with Section 4 of this Ordinance.

SECTION 3. This Council finds and determines that the Public Infrastructure Improvements will directly benefit the Property.

SECTION 4. This Council hereby authorizes and directs the Director of Finance to establish, pursuant to and in accordance with the provisions of ORC §5709.43, the West Dublin-Granville Road Municipal Public Improvement Tax Increment Equivalent Fund (the “**TIF Fund**”) to be maintained in the custody of the City. The TIF Fund shall receive all Service Payments made in respect of the Improvements which are received by the City from the County Treasurer in accordance with this Ordinance.

The Service Payments received by the City shall be deposited into the TIF Fund and used (i) first, to pay the City’s customary and reasonable costs related to the exercise of its rights and the discharge of its obligations under the TIF Statutes, this Ordinance, and all other related laws, agreements and undertakings, (ii) second, to pay the costs of

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the construction of the Public Infrastructure Improvements, and (iii) third, if any Service Payments remain in the TIF Fund after the payments described in (i) – (ii) above, to make payments to the City to be used for purposes of making any other future Public Infrastructure Improvements.

The TIF Fund shall remain in existence so long as the Service Payments are collected and used for the aforesaid purposes, after which the TIF Fund shall be dissolved in accordance with ORC §5709.43(D). Upon such dissolution, any incidental surplus remaining in the TIF Fund shall be disposed as provided in ORC §5709.43(D).

SECTION 5. The City Manager is hereby authorized to execute a TIF Agreement on behalf of the City, which TIF Agreement will include provisions regarding the construction of the Project and the Public Infrastructure Improvements providing for, among other things, the payment of Service Payments with respect to the Property and the use of the TIF Funds, together with such revisions or additions thereto as approved by the City Manager as consistent with the objectives and requirements of this Ordinance, which approval shall be conclusively evidenced by the signing of said TIF Agreement. The City Manager and other appropriate City officials are further authorized to provide such information and to execute, certify or furnish such other documents, and to do all other things as are necessary for and incidental to carrying out the provisions of the TIF Agreement.

SECTION 6. The City Manager, the Director of Finance and the Director of Law, and any other City official, as appropriate, are each authorized and directed to sign any other documents, instruments or certificates and to take such actions as are necessary or appropriate to consummate or implement the transactions described in or contemplated by this Ordinance.

SECTION 7. Pursuant to ORC §5709.40(I), the Clerk of this Council is hereby directed to deliver a copy of this Ordinance to the Director of the Ohio Development Services Agency within fifteen days after its passage, and on or before March 31 of each year that the exemption set forth in Section 1 hereof remains in effect, the City Manager shall cause to be prepared and submitted to the Director of the Development Services Agency the status report required thereunder.

SECTION 8. 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 that resulted in those formal actions were in meetings open to the public in compliance with the law.

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SECTION 9. That notice of passage of this Ordinance shall be posted in the Municipal Administration Building, the Worthington Library, the Griswold Center and the Worthington Community Center and shall set forth the title and effective date of the Ordinance and a statement that the Ordinance is on file in the office of the Clerk of Council. This Ordinance shall take effect and be in force from and after the earliest period allowed by law and by the Charter of the City of Worthington, Ohio.

Passed December 2, 2013

[Signature on File]
President Pro Tem of Council

Attest:

[Signature on File]
Clerk of Council

Introduced November 18, 2013
P.H. December 2, 2013
Effective December 26, 2013

EXHIBIT A

PROPERTY DESCRIPTION

Real property located at 2233 to 2299 West Dublin-Granville Road, inclusive, Parcel Numbers 100-001252-00; 100-001253-00; 213-000003-00; 213-000183-00; 213-000189-00; and 213-000337-00 as that real property is located in or is in the process of being annexed into the City of Worthington, Franklin County.

The parcels enumerated herein and any subsequent purported subdivisions and/or re-assigned parcel number identifications or street addresses shall constitute the “Property.”

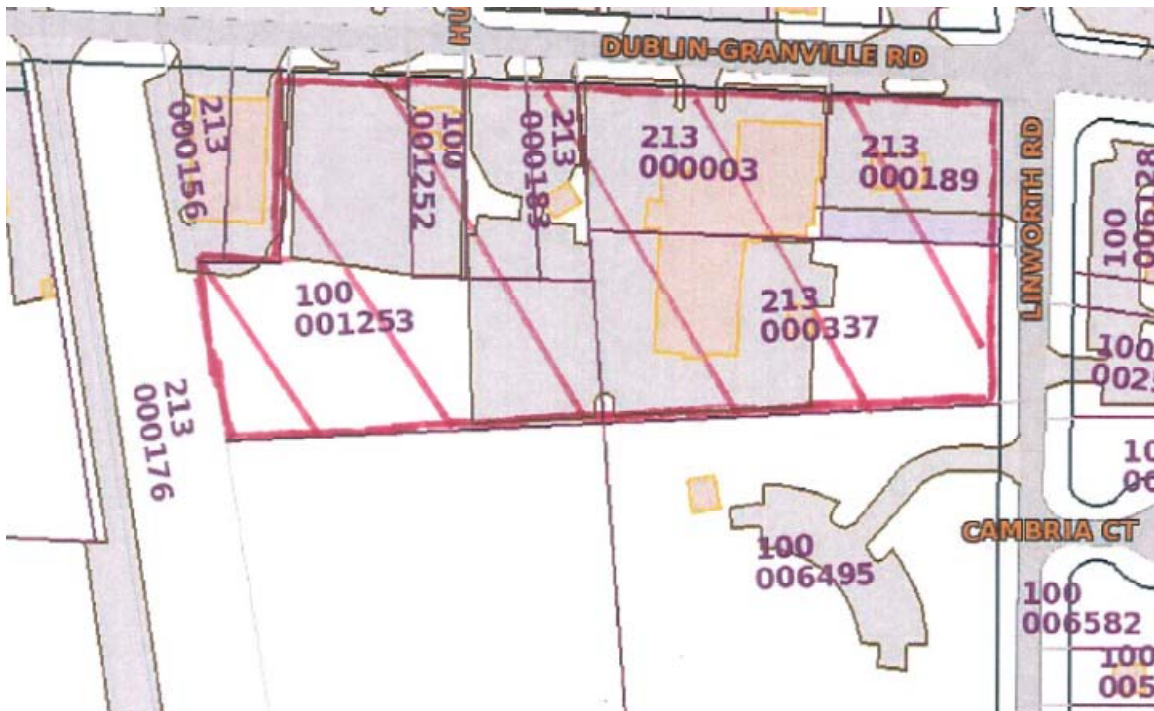


EXHIBIT B

TAX INCREMENT FINANCING AGREEMENT
Between
THE CITY OF WORTHINGTON
And
PREMIER COMMERCIAL REAL ESTATE SERVICES

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EXHIBIT C

PUBLIC INFRASTRUCTURE IMPROVEMENTS

The Public Infrastructure Improvements generally consist of construction of improvements to the intersection of State Route 161 (West-Dublin Granville Road) and Linworth Road, Franklin County, Ohio, including construction of improvements to each respective roadway in the immediate vicinity of said intersection.

Construction, as used herein, includes construction, reconstruction, extension, opening, improving, widening, grading, draining, curbing or changing of the lines and traffic patterns of roads, highways, streets, bridges, pedestrian facilities (i.e., sidewalks, bike paths, pedestrian crossings), medians and viaducts accessible to and serving the public, providing lighting systems, signalization, and traffic controls, and all other appurtenances thereto.

Construction of the Public Infrastructure Improvements may also include:

- Construction or installation of streetscapes and landscape improvements including trees, tree grates, signage, curbs, hydrants, sidewalks, street and sidewalk lighting, trash receptacles, benches, burial of overhead utility lines and related improvements, together with all appurtenances thereto;
- Demolition and/or environmental remediation required for such public infrastructure improvements;
- Purchase or otherwise acquire real estate or interests in real estate, including rights of way and easements, necessary to accomplish the foregoing improvements;
- Professional fees, including architectural, design, engineering, contract administration, and legal costs;
- All inspection fees and other governmental fees related to the foregoing; and
- Any other costs for the aforesaid Public Infrastructure Improvements as permitted by law.

Public Infrastructure Improvements described herein may from time-to-time be constructed or caused to be constructed by the Developer, the City, or a combination thereof, in which case either or both parties may be reimbursed from Service Payments under this Ordinance according to their relative proportion of costs borne to construct the Public Infrastructure Improvements. In such cases in which Public Infrastructure Improvements are constructed by an appropriate agency of the State of Ohio (e.g., Ohio Department of Transportation) or Franklin County, the City may pledge and direct Service Payments hereunder, in whole or in part, to satisfy any required financial contributions by the City to construct Public Infrastructure Improvements.

All of the Public Infrastructure Improvements described herein are determined to be “public infrastructure improvements” as set forth in ORC §5709.40(A)(7) and will directly benefit the Property as defined in EXHIBIT A. The Public Infrastructure Improvements shall also include any other future improvements as may be designated by City Council to directly benefit the Property.