

ORDINANCE NO. 36-2015  
(As Amended)

An Ordinance Declaring Improvements to a Parcel of Real Property to be a Public Purpose; Declaring Such Property to be Exempt from Real Property Taxation; Requiring the Owner of that Parcel to Make Service Payments In Lieu of Taxes; Establishing an Urban Redevelopment Tax Increment Equivalent Fund; Authorizing the Execution of a Tax Increment Financing Agreement; Authorizing the Execution of a Compensation Agreement; Authorizing Use of Service Payments for Costs of Certain Designated Improvements; and Providing Related Authorizations Pursuant to Ohio Revised Code Sections 5709.41, 5709.42 and 5709.43.

WHEREAS, Ohio Revised Code (“**ORC**”) Sections 5709.41, 5709.42 and 5709.43 (the “**TIF Statutes**”) provide that this Council may, under certain circumstances, declare improvements to certain parcels of real property to be a public purpose (the “**Improvements**”, as further defined in ORC Section 5709.41 and below) thereby exempting those Improvements from real property taxation, provide for payments in lieu of taxes by the owners of the parcels, and establish an urban redevelopment tax increment equivalent fund (the “**TIF Fund**” as defined below), provided the City has held fee title to such real property prior to the adoption of this Ordinance providing for the exemption; and,

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

WHEREAS, provided appropriate economic development incentives are available to support the economic viability of the construction, Trivium Worthington LLC (the “**Company**”) desires to purchase and completely renovate approximately 53,200 square feet of office space, substantially re-grading exterior parking facilities and creating handicap accessible facilities at a long-vacant single-tenant office building situated on the Property (the “**Project**”); and,

WHEREAS, in connection with the construction of the Project, the City and the Company desire to execute a Tax Increment Financing Agreement substantially in the form on file with the City (the “**TIF Agreement**”), which would provide for the construction of the Project and for the financing of certain designated improvements, as further described on EXHIBIT B attached hereto and incorporated herein by this reference (the “**Designated Improvements**”); and,

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WHEREAS, the City seeks to increase employment opportunities and to encourage establishment of new jobs in the City, in order to improve the economic welfare of the City and its citizens, in furtherance of the public purposes enunciated in Article VIII, Section 13 of the Ohio Constitution; and,

WHEREAS, in connection with the redevelopment of the Property and the construction of the Project, it is in the best interest of the City to declare the Improvements to the Property to be a public purpose and to provide an exemption from real property taxes as set forth in this Ordinance; and,

WHEREAS, it is necessary and appropriate and in the best interests of the City to provide for the payment of 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 Section 5709.42; and,

WHEREAS, as authorized by Ordinance No. 33-2015 passed September 8, 2015, the City acquired from the Owner fee title to the Property, pursuant to a Quitclaim Deed recorded with the Franklin County Recorder’s Office, and, pursuant to a Quitclaim Deed, has conveyed the Property back to the Owner; 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 Sections 5709.41 and 5709.83, and this Council ratifies and affirms the delivery of said notice; and,

WHEREAS, both the Board and the City have indicated their intention to enter into a mutually acceptable Compensation Agreement substantially in the form on file with the City (the “**Compensation Agreement**”); and,

WHEREAS, this Council desires that the Project be constructed, pursuant to the terms of the TIF Agreement; and,

WHEREAS, this Council is willing to finance a portion of the costs of constructing the Designated Improvements, as provided in the TIF Agreement; and,

WHEREAS, this Council desires that a portion of the costs of the Designated Improvements and related expenses be paid from the Service Payments made in respect of the Improvements;

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

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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. This Council finds and determines that 75% of the increase in the assessed value of the Property subsequent to the acquisition of the Property by the City (which increase in assessed value is the “**Improvements**” as defined in ORC Section 5709.41(A)(2), is hereby declared to be a public purpose, and shall be exempt from taxation for a period commencing with the first day of the first tax year after the effective date of this Ordinance in which any Improvement that is attributable to the construction under the Project on the Property first appears on the tax list and duplicate of real and public utility property and ending ten (10) years after such date, all in accordance with the requirements of ORC Sections 5709.41 and 5709.42.

SECTION 2. As provided in ORC Section 5709.42, the Owner of the parcel comprising the Property is 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 remitted to the City for deposit in the TIF Fund, pursuant to ORC Sections 5709.41 and 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 Section 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 Sections 323.121(B)(1) and 5703.47, as the same may be amended from time to time, or any successor provisions thereto, as the same may be amended from time to time (the payment of penalties and interest and any related amounts received by the City under ORC Section 319.302 shall be considered part of the Service Payments). The Service Payments shall be allocated and deposited in accordance with Section 4 of this Ordinance.

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

SECTION 4. This Council hereby authorizes and directs the Director of Finance to establish pursuant to and in accordance with the provisions of ORC Section 5709.43(B), the 350 West Wilson Bridge Road Urban Redevelopment 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.

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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, the TIF Agreement and all other related laws, agreements and undertakings, (ii) second, to make payments to the Board as described in the Compensation Agreement, (iii) third, to pay the costs of the construction of the Designated Improvements as described in the TIF Agreement, and (iv) fourth, if any Service Payments remain in the TIF Fund after the payments described in (i) – (iii) above, to make payments to the City to be used for any lawful purpose.

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 Section 5709.43(D). Upon such dissolution, any incidental surplus remaining in the TIF Fund shall be disposed as provided in ORC Section 5709.43(D).

SECTION 5. The City Manager is hereby authorized to execute the TIF Agreement on behalf of the City substantially in the form on file with the City, which TIF Agreement includes provisions regarding the construction of the Project and the Designated 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 is hereby authorized to execute on behalf of the City the Compensation Agreement between the City and the Board substantially in the form on file with the City, which Compensation Agreement shall provide the exemption benefit to the Company up to \$3,850,000 in the Franklin County Auditor's appraised value of improvements; any amount of taxes associated with improvement valuation exceeding that threshold shall be paid by the City to the Schools in the amount otherwise due. This Council's authorization hereunder shall include the City Manager executing such revisions or additions to the Compensation Agreement 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 Compensation 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 Compensation Agreement.

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SECTION 7. 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 8. Pursuant to ORC Section 5709.41(E), 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. On or before March 31<sup>st</sup> of each year that the exemption set forth in Section 1 hereof remains in effect, the City Manager shall prepare and submit, or cause to be prepared and submitted, to the Director of the Ohio Development Services Agency the status report required under ORC Section 5709.41(E).

SECTION 9. 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.

SECTION 10. 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 October 5, 2015

/s/ Bonnie D. Michael  
President of Council

Attest:

/s/ D. Kay Thress  
Clerk of Council

Introduced September 8, 2015  
P.H. October 5, 2015  
Effective October 28, 2015

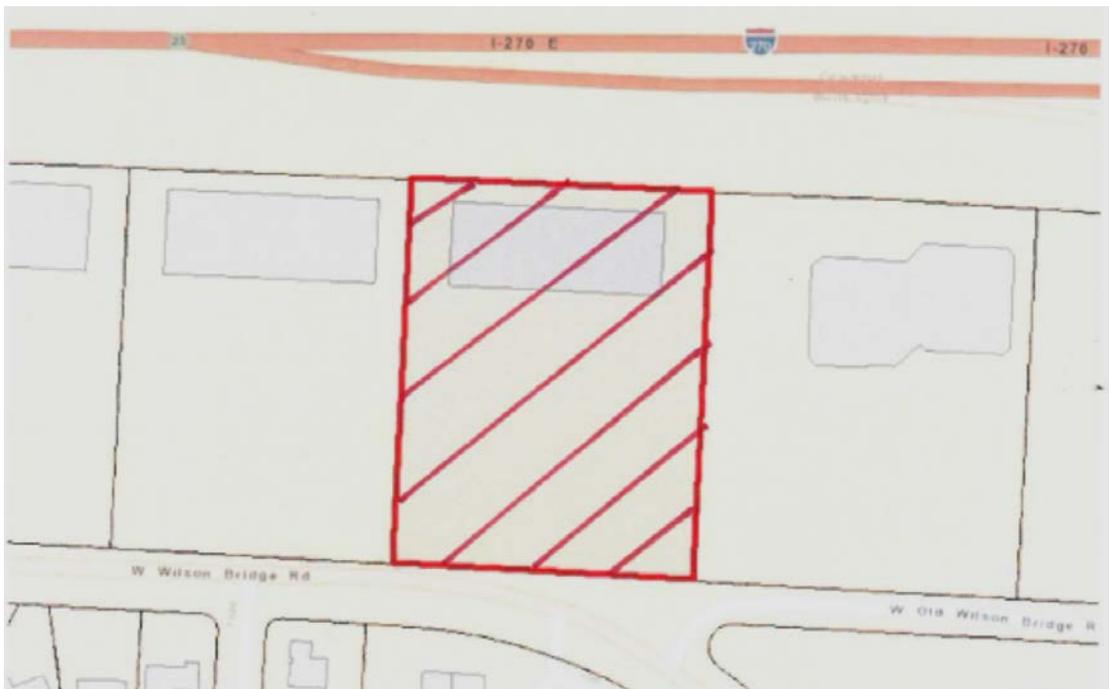
## EXHIBIT A

### PROPERTY DESCRIPTION

Real property located at 350 West Wilson Bridge Road, Franklin County Auditor's ID no. 100-005397-00, located within the City of Worthington, Franklin County.

The legal description as follows: 350 West Wilson Bridge Road, Officescape, Lot 4.

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



## **EXHIBIT B**

### **DESIGNATED IMPROVEMENTS**

Designated Improvements are understood among the Parties to include the following: any and all renovation costs borne by the Company at the Property for purposes of fire suppression and related to making the building compliant with the Americans with Disabilities Act, which may include development costs such as elevators upgraded to medical office specifications; internal public-access restrooms; re-grading, repaving and improving the parking lot infrastructure to ADA requirements; rebuilding interior stairwells to ADA requirements; and reconstructing the western end of the facility for ADA-required access.

Construction of the Designated Improvements may also include:

- Demolition and/or environmental remediation required for such Designated Improvements;
- Professional fees, including architectural, design, engineering, contract administration, and legal costs;
- All inspection fees and other governmental fees related to the foregoing.