

ORDINANCE NO. 34-2015

Approving a Grant as Part of the City's Economic Development Venture Program and Authorizing the City Manager to Enter into an Economic Development Grant Agreement for the Same.

WHEREAS, this City Council has established an Economic Development Venture Grant Program in order to assist in creating job and employment opportunities within the City; and,

WHEREAS, this City Council created an Economic Development Fund (the "**Fund**") to provide incentives to businesses wishing to remain or locate within the City; and,

WHEREAS, in amending the Economic Development Venture Policy under Ordinance 57-2006, this City Council stated its intention to allow the use of grants payable from the Fund to encourage the productive reuse and development of targeted properties; and,

WHEREAS, Trivium Development 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 the vacant single-tenant office building at 350 West Wilson Bridge Road (the "**Project**"); and,

WHEREAS, the property to be purchased by the Company for the Project has been vacant for many years, and the redevelopment helps satisfy the City's economic development goal of attracting new medical office operations into Worthington; and,

WHEREAS, the City has identified the construction of high-quality, Class A-grade office space as a critical priority in establishing a sustainable economic environment in Worthington for the foreseeable future; and,

WHEREAS, the City seeks to assist the Company in the costs borne under the Project to fully renovate into high-quality multi-tenant medical and commercial office space for new users on the Wilson Bridge Road Corridor; and,

WHEREAS, as structured, this Venture Grant Project otherwise meets all of the criteria for a grant of funds established in the City Economic Development Incentive Policy;

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

ORDINANCE NO. 34-2015

SECTION 1. That there be and hereby is approved a grant to the Company approximately equal in net present value to Two Hundred Twenty-Two Thousand Dollars (\$222,000.00) in assistance, to be paid in three (3) annual installments, each equaling Seventy Eight Thousand Eight-Hundred Dollars (\$78,800.00), during the first three sequential years of the agreement term from the Fund to assist in the renovations of new high-quality medical and commercial office space in the City of Worthington.

SECTION 2. That the City Manager is hereby authorized and directed to enter into an Agreement with the Company substantially in the form in EXHIBIT A, attached hereto and made a part hereof, establishing the conditions of the grant, provided however that the City Manager shall not be directed to sign said Agreement unless and until the tax increment financing agreement associated with the Project is executed by the Company.

SECTION 3. 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 September 8, 2015

/s/ Bonnie D. Michael
President of Council

Attest:

/s/ D. Kay Thress
Clerk of Council

Introduced July 20, 2015
P.H. September 8, 2015
Effective October 1, 2015

EXHIBIT A

ECONOMIC DEVELOPMENT GRANT AGREEMENT

THIS ECONOMIC DEVELOPMENT GRANT AGREEMENT (the "**Agreement**") is made and entered into this ___ day of _____, 2015 (the "**Effective Date**"), by and between the CITY OF WORTHINGTON, a municipal corporation with its offices at 6550 North High Street, Worthington, Ohio 43085 (the "**City**"), and TRIVIUM DEVELOPMENT LLC, an Ohio limited liability company with its principal offices at 210 North Lazelle Street, Columbus, Ohio 43215 ("**Company**"), (both collectively referred to herein as the "**Parties**").

RECITALS

WHEREAS, pursuant to Ordinance No. 44-2002 (As Amended), Ordinance No. 37-2004, and Ordinance No. 57-2006 (As Amended) (the "**Approval Ordinances**"), and consistent with its goal of encouraging the development and maintenance of commercial and industrial businesses within the City and to provide for the creation of jobs and employment opportunities, the City has established an Economic Development Fund (the "**Fund**") and adopted an Economic Development Incentive Policy (the "**Policy**"); and

WHEREAS, Worthington City Council stated its intention in the Approval Ordinances to allow the use of grants payable from the Fund to encourage the productive reuse and development of targeted properties; and,

WHEREAS, as authorized in Article VIII, Section 13 of the Ohio Constitution and in accordance with the guidelines established under the Policy, the City has offered to provide the Company an economic development incentive grant to encourage the Company to renovate 53,200 square feet of new multi-tenant medical and commercial office space located within the City (the "**Project**"), as more fully described and set forth in EXHIBIT A, Scope of Work, attached hereto and incorporated herein; and,

WHEREAS, the Project features a single-tenant commercial office building constructed in 1976 and which has been left vacant and unused for at least ten years since its last occupant relocated out of Worthington, and which such building, located at 350 West Wilson Bridge Road, City of Worthington (the "**Subject Premises**"), requires significant retrofitting and renovations in order to render it market-viable; and,

WHEREAS, the Company has agreed to enter into this Agreement, which sets forth the Company's respective rights and obligations concerning the payment of such grant.

NOW THEREFORE, the Parties covenant, agree and obligate themselves as follows:

Section 1. Terms of the Grant. The City shall provide to the Company an economic development incentive grant in amounts set forth in this section (the "**Grant**"), which the Company shall use in connection with the redevelopment to occur under the Project, defined above, and situated within the City of Worthington. The first payment under this Section shall be provided to

the Company after the City's issuance of the Project's Final Certificate of Occupancy and Certificate of Zoning Compliance (as the Certificate of Zoning Compliance relates to all improvements described in the Company's approved development plan) (collectively, the "**Certificates**"), provided that this Agreement has been fully executed by both Parties. By accepting the Grant, the Company agrees to meet the Grant Objectives defined in Section 3 below.

The Grant shall be payable to the Company in three (3) consecutive annual installments of Seventy Eight Thousand Eight Hundred dollars (\$78,800.00) (each representing an "**Annual Installment Amount**"), with the first such Annual Installment Amount to be payable upon the City's issuance of the Certificates and each subsequent Annual Installment Amount to be payable each of the following two twelve (12) month periods hence during the Term defined herein, subject to the City's Annual Review as set forth in Section 4 of this Agreement. The term of this Agreement shall commence on the Effective Date and end five (5) years after such Effective Date (the "**Term**").

Section 2. City's Obligation to Make Payments Not Debt: Payments Limited to Nontax Revenues. Notwithstanding anything to the contrary herein, the obligations of the City pursuant to this Agreement shall not be a general obligation debt or bonded indebtedness, or a pledge of the general credit or taxes levied by the City, and the Company shall have no right to have excises or taxes levied by the City, the State or any other political subdivision of the State for the performance of any obligations of the City herein. Consistent with Section 13 of Article VIII, Ohio Constitution, any payments required to be made by the City pursuant to this Section 2 shall be payable solely from the City's non-tax revenues. Further, the obligation of the City to make the payments pursuant to this Agreement shall be in accordance with the Approval Ordinances and subject to certification by the Director of Finance of the City as to the availability of such non-tax revenues.

Section 3. Grant Objectives. In consideration of the City's agreement to provide the Grant to the Company, the Company agrees to comply with all the following objectives throughout the Term (the "**Grant Objectives**"):

- (a) Within eighteen (18) months after the Effective Date, the Company will construct the Project in accordance with plans reviewed and approved by the Worthington Municipal Planning Commission;
- (b) Within thirty-six (36) months after the Effective Date and continuing without interruption throughout the remainder of the Term, the Company shall cause at least Six Million dollars (\$6,000,000.00) in total annual wages to be paid to persons working within the Subject Premises, and such payroll shall not be comprised by wages paid for the construction of said Subject Premises, with such total wages resulting from other third party employers and such wages paid are subject to City withholding (the "**Total Annual Compensation**");
- (c) The Company shall remain current on all real estate tax obligations relevant to the Project, including any service payments in lieu of taxes otherwise due, during the Term.

The Parties, by notice given hereunder, may designate any further or different addresses to which subsequent notices, certificates, requests or other communications shall be sent.

(b) Extent of Provisions: No Personal Liability. All rights, remedies, representations, warranties, covenants, agreements and obligations of the City under this Agreement shall be effective to the extent authorized and permitted by applicable law. No representation, warranty, covenant, agreement, obligation, or stipulation contained in this Agreement shall be deemed to constitute a representation, warranty, covenant, agreement, obligation or stipulation of any present or future official, member, officer, agent or employee of the City or the Company in other than his or her official capacity. No official executing or approving the City's or the Company's participation in this Agreement shall be liable personally under this Agreement or be subject to any personal liability or accountability by reason of the issuance thereof.

(c) Successors. This Agreement shall be binding upon and inure to the benefit of the Company and its successors and assigns.

(d) Amendments. This Agreement may only be amended by a written instrument executed by both Parties.

(e) Executed Counterparts. This Agreement may be executed in several counterparts, each of which shall be regarded as an original and all of which shall constitute but one and the same agreement. It shall not be necessary in proving this Agreement to produce or account for more than one of those counterparts.

(f) Severability. In case any section or provision of this Agreement, or any covenant, agreement, obligation or action, or part thereof, made, assumed, entered into or taken, or any application thereof, is held to be illegal or invalid for any reason:

(i) that illegality or invalidity shall not affect the remainder hereof or thereof, any other section or provision hereof, or any other covenant, agreement, obligation or action, or part thereof, made, assumed, entered into, or taken, all of which shall be construed and enforced as if the illegal or invalid portion were not contained herein or therein;

(ii) the illegality or invalidity of any application hereof or thereof shall not affect any legal and valid application hereof or thereof; and

(iii) each section, provision, covenant, agreement, obligation or action, or part thereof shall be deemed to be effective, operative, made, assumed, entered into or taken in the manner and to the fullest extent permitted by law.

(g) Captions. The captions and headings in this Agreement are for convenience only and in no way define, limit or describe the scope or intent of any provisions or sections of the Agreement.

(h) Governing Law and Choice of Forum. This Agreement shall be governed by and constructed in accordance with the laws of the State of Ohio or applicable federal law. All claims, counterclaims, disputes and other matters in question between the City, its agents and employees, and the Company, its employees and agents, arising out of or relating to this Agreement or its breach will be decided in a court of competent jurisdiction within Franklin County, Ohio.

IN WITNESS WHEREOF, the City and the Company have caused this Agreement to be executed in their respective names by their duly authorized representatives, all as of the date written above.

CITY OF WORTHINGTON

TRIVIUM DEVELOPMENT LLC

By: _____
Matthew H. Greeson, City Manager

By: _____

Its: _____

Approved as to form:

Pamela A. Fox, Law Director
City of Worthington, Ohio

Exhibit A

SCOPE OF WORK

Trivium Development LLC (the “**Company**”) has purchased 350 West Wilson Bridge Road, Worthington, Ohio 43085, Franklin County Auditor Parcel ID 100-005397-00 (the “**Subject Premises**”) in fee and will significantly renovate and construct improvements thereon for purposes of creating 53,200 square feet of medical and commercial office multi-tenant space with frontage along I-270 to accommodate new employers in the City (the “**Project**”).

The Project is expected to involve a total investment by the Company of approximately five million eight hundred thousand dollars (\$5,800,000.00). Included in this investment is approximately one million nine hundred fifty thousand dollars (\$1,950,000.00) for the acquisition of the Subject Premises, and an estimated three million eight hundred fifty thousand dollars (\$3,850,000.00) in new constructions costs.

The Project will commence on or about August 31, 2015. It is intended that all construction and improvements will be completed by December 31, 2016.