

ORDINANCE NO. 61-2021

An Ordinance Authorizing the City Manager to Enter into an Amended Community Reinvestment Area Agreement with Worthington 17, LLC, an Ohio Limited Liability Company, to Change the Starting Year of the Existing Abatement Period from Tax Year 2021 to Tax Year 2024.

WHEREAS, the Council of the City of Worthington created a Community Reinvestment Area (CRA) pursuant to Sections 3735.65 through 3735.70 of the Ohio Revised Code via the enactment of Ordinance No. 18-2005; and,

WHEREAS, the Director of Development of the State of Ohio determined that the area designated in said Ordinance No. 18-2005 contains the characteristics set forth in Section 3735.66 of the Ohio Revised Code, "ORC", and confirmed said area (i.e., Area No. 049-86604-01) as a CRA under said ORC Chapter 3735; and,

WHEREAS, the Council of the City of Worthington, Ohio by Ordinance No. 21-2019 authorized the City Manager to enter into a Community Reinvestment Area Agreement with Worthington 17, LLC to grant a seventy-five percent (75%) tax exemption for real property improvements to be made at the property located at 6740 N. High Street in the City of Worthington for a period not to exceed ten (10) years; and,

WHEREAS, the Community Reinvestment Area Abatement Agreement between the City of Worthington and Worthington 17, LLC was executed on June 26, 2019; and,

WHEREAS, the executed Community Reinvestment Area Abatement Agreement between the City of Worthington and Worthington 17, LLC states that all construction and improvements were to be completed in calendar year 2020, with the property tax exemption commencing with tax year 2021; and,

WHEREAS, due to market conditions and the COVID 19 pandemic Worthington 17, LLC has not completed all the construction and improvements that were anticipated when the City of Worthington and Worthington 17, LLC entered into the Community Reinvestment Area Abatement Agreement; and,

WHEREAS, amending the Community Reinvestment Area Agreement by changing the start year from tax year 2021 to tax year 2024 will help the City achieve the economic development impact that was contemplated when Council authorized the City Manager to enter into the Community Reinvestment Area Agreement with Worthington 17, LLC; and,

WHEREAS, the project site is located in the Worthington School District and the Board of Education of the Worthington School District has been notified in accordance with ORC Section 5709.83 and been given a copy of this Ordinance and the draft First Amendment to the Community Reinvestment Area Abatement Agreement.

ORDINANCE NO. 61-2021

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

SECTION 1. The City Manager is hereby authorized and directed to enter into an Amended Community Reinvestment Area Agreement with Worthington 17, LLC, to change the starting year of the existing abatement period from tax year 2021 to tax year 2024, as evidenced by the First Amendment to The Community Reinvestment Area Agreement attached hereto as **EXHIBIT A** and which is incorporated herein.

SECTION 2. 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 13, 2021

/s/ Bonnie D. Michael
President of Council

Attest

Clerk of Council

Introduced December 6, 2021
P.H. December 13, 2021
Effective January 5, 2022

EXHIBIT A

**FIRST AMENDMENT TO THE COMMUNITY REINVESTMENT AREA
AGREEMENT**

Between

THE CITY OF WORTHINGTON

And

WORTHINGTON 17, LLC

This First Amendment to the Community Reinvestment Area Agreement (the “**First Amendment**”) has been made and entered into as of the ___ day of _____, _____ (the “**Effective Date**”) between the CITY OF WORTHINGTON, OHIO, a political subdivision of the State of Ohio, through its City Manager (the “**City**”), acting pursuant to the authority of Ordinance No. 61-2021 passed by the City Council on December 13, 2021; and WORTHINGTON 17, LLC a domestic limited liability company, with its principal offices at 50 W. Broad Street, Suite 200, Columbus, OH 43215 (“**WORTHINGTON 17**”), (both collectively referred to herein as the “**Parties**”) and sets forth the complete understanding of the Parties as to the exemption of real property taxes on improvements made to the Property, defined below, pursuant to the City’s Community Reinvestment Area exemption program and Ohio Revised Code (“**ORC**”) §§3735.65 *et seq.* (the “**CRA Exemption**”).

WITNESSETH:

WHEREAS, the original Community Reinvestment Area Abatement Agreement between the City of Worthington and Worthington 17, LLC was executed on June 26, 2019; and,

WHEREAS, the Community Reinvestment Area Abatement Agreement between the City of Worthington and Worthington 17, LLC states that all construction and improvements were to be completed in calendar year 2020, with the property tax exemption commencing with tax year 2021; and,

WHEREAS, due to market conditions and the COVID 19 pandemic Worthington 17, LLC has not completed all the construction and improvements that were anticipated when the City of Worthington and Worthington 17, LLC entered into the Community Reinvestment Area Abatement Agreement; and,

WHEREAS, the City now anticipates that the Project renovations may occur in calendar year 2022 or 2023; and,

WHEREAS, changing the start year from tax year 2021 to tax year 2024 will help the City achieve the economic development impact of the full ten (10) year exemption originally contemplated at the time the CRA exemption was approved.

NOW, THEREFORE, in consideration of these premises and the mutual covenants and obligations of the Parties hereto set forth, each of them does hereby covenant and agree with the others as follows:

Section 1. DELETE Section 1 of the Community Reinvestment Area Abatement Agreement, and REPLACE with the following:

Project Description. WORTHINGTON 17 has purchased 6740 North High Street, Worthington, Ohio 43085, Franklin County Auditor Parcel IDs 100-002642, 100-002579, 100-002683, 100-002578, 100-002694, and 100-002459 (the “**Property**”) in fee and will renovate the existing structures thereon to facilitate the attraction of new jobs in the City (the “**Project**”). The Project will involve a total investment by WORTHINGTON 17 of at least ten million five hundred thousand dollars (\$10,500,000.00). Included in this investment is six million five hundred thousand dollars (\$6,500,000.00) for the acquisition of the Property, and an estimated four million dollars (\$4,000,000.00) in renovation costs.

The Project will commence by December 31, 2022, or (the “**Commencement Date**”). It is intended that all construction and improvements will be completed in calendar years 2022 and 2023.

Section 2. DELETE Section 3 of the Community Reinvestment Area Abatement Agreement, and REPLACE with the following:

CRA Exemption. The City hereby grants WORTHINGTON 17 a tax exemption equal to a percentage of the assessed valuation of the Property exempted hereunder, for the Improvements made under the Project, for the following period and for the following benefit level:

Exemption Period	Exemption Benefit Level
Ten (10) Years	Seventy-Five Percent (75%)

The exemption provided under this §3 commences the first year for which the Property would first be taxable were that property not exempted from taxation under this Agreement. No CRA Exemption hereunder shall commence after tax year 2024 (i.e., tax lien date January 1, 2024), nor extend beyond tax year 2034.

WORTHINGTON 17 agrees and consents to the City preparing and filing all necessary applications and supporting documents to obtain the exemption authorized by the CRA Exemption Statutes and the City. The City shall perform such acts as are reasonably or legally necessary or appropriate to effect, claim, reserve, and maintain the CRA Exemption granted under this Agreement, including, without limitation, joining in the execution of all documentation and providing any necessary certificates required in connection with such exemption.

Section 3. Except as otherwise noted in this First Amendment, all other terms and provisions contained in the Community Reinvestment Area Abatement Agreement are unchanged, and remain in full force and effect as stated therein.

IN WITNESS WHEREOF, the City and Worthington 17 have each caused this First Amendment to be executed after due authorization as of the Effective Date.

CITY OF WORTHINGTON, OHIO

By: _____
Name: _____
Title: _____

WORTHINGTON 17, LLC

By: _____
Name: _____
Title: _____

Approved as to form:

Tom Lindsey, Law Director
City of Worthington, Ohio