

AN ORDINANCE ESTABLISHING AN INCENTIVE DISTRICT AND DECLARING IMPROVEMENTS TO PARCELS OF PROPERTY IN THE INCENTIVE DISTRICT TO BE A PUBLIC PURPOSE, DESCRIBING THE PUBLIC IMPROVEMENTS TO BE MADE TO BENEFIT OR SERVE THE INCENTIVE DISTRICT, ESTABLISHING A MUNICIPAL PUBLIC IMPROVEMENT TAX INCREMENT EQUIVALENT FUND FOR THE DEPOSIT OF SERVICE PAYMENTS, APPROVING THE COMPENSATION AGREEMENT WITH HUDSON CITY SCHOOL DISTRICT, AND RELATED AUTHORIZATIONS PURSUANT TO OHIO REVISED CODE SECTIONS 5709.40, 5709.42 AND 5709.43; AND DECLARING AN EMERGENCY.

WHEREAS, by Ordinance No. 15-124, passed on January 19, 2016, this Council adopted the Downtown Phase II Plan (the "Plan") for properties located generally in the area bounded by frontage along the east side of Morse Road, the Villas of Hudson on the north, the Norfolk-Southern rail line on the west, and Village Way Road on the south, as further identified in the Plan (the "Plan Area"), which Plan is an Economic Development Plan within the meaning of Ohio Revised Code Section 5709.40(A)(5)(f); and

WHEREAS, to revitalize the Plan Area consistent with the Plan, this Council has determined to create the Downtown Phase II incentive district for the Plan Area pursuant to Section 5709.40 of the Ohio Revised Code, the boundary of which incentive district and the parcels in the incentive district are set forth in Exhibit A hereto (the "Incentive District"), which Incentive District is an area not more than 300 acres in size enclosed by a continuous boundary; and

WHEREAS, as required pursuant to Ohio Revised Code Section 5709.40(A)(5)(f), the City Engineer certified that the existing public infrastructure serving the Incentive District is inadequate to meet the development needs of the Incentive District as identified in the Plan; and

WHEREAS, Ohio Revised Code Sections 5709.40, 5709.42 and 5709.43 provide that this Council may describe public improvements to be made which benefit or serve the parcels of real property in the Incentive District, declare Improvements (as defined in Ohio Revised Code Section 5709.40) with respect to such parcels 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, this Council desires to make or cause to be made the public infrastructure improvements in the City described in Exhibit B hereto (the "Public Improvements"), that once made would benefit or serve parcels located in the Incentive District (those parcels, excluding the portion thereof upon which there are or will be public improvements are hereinafter referred to as the "Property"); 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 (the "Service Payments") pursuant to Section 5709.42 of the Ohio Revised Code; and

WHEREAS, the Property is located in the Hudson City School District (the "School District"), and the Board of Education of the School District has approved the real property tax exemption provided for in this Ordinance and has waived certain notice requirements on the condition that the City enter into the compensation agreement described in Section 6 (the "School Agreement"); and

WHEREAS, the Property is located in Summit County and pursuant to Ohio Revised Code Section 5709.40 (E)(1), the Summit County Executive, acting on behalf of the Summit County Council, has approved the real property tax exemption provided for in this Ordinance and has waived certain notice requirements;

NOW, THEREFORE, BE IT ORDAINED by the Council of the City of Hudson, County of Summit, State of Ohio, that:

Section 1. This Council hereby creates the Downtown Phase II Incentive District for the Plan Area, which constitutes an Incentive District as defined in Ohio Revised Code Section 5709.40.

Section 2. The Public Improvements described in Exhibit B hereto are hereby designated as those Public Improvements that benefit or serve, or that once made will benefit or serve, the parcels in the Incentive District. This Council hereby confirms that the Public Improvements are necessary for the public health, safety and general welfare.

Section 3. Pursuant to and in accordance with the provisions of Ohio Revised Code Section 5709.40, 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 and public utility 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 twenty (20) years and exempt from taxation commencing with the tax year in which the Improvements first appear on the tax list and duplicate of real and public utility property after the effective date of this Ordinance and ending on the earlier of (1) the date the Improvements have been exempted from taxation for a period of twenty (20) years or (2) the date on which the City has collected into the Fund established in Section 5 hereof a total amount of Service Payments available for and sufficient (i) to pay costs of the Public Improvements, (ii) to pay the principal, interest and premium, if any, on financing for such costs of the Public

Improvements, (iii) to reimburse the City for other City funds used by the City to pay such costs or such principal, interest or premium, prior to receipt of Service Payments, or (iv) to make the payments to the School District under the School Agreement, all as further provided in Section 5 hereof.

Section 4. As provided in Section 5709.42 of the Ohio Revised Code, and in agreements expected to be entered into with owners of the Improvement, the owner or owners of the Improvement are hereby required to, and shall make, annual Service Payments to the County Fiscal Officer on or before the final dates for payment of real property taxes, which Service Payments shall be deposited in the Municipal Public Improvement Tax Increment Equivalent Fund established in Section 5 hereof. This Council hereby authorizes the City Manager, Finance Director and City Solicitor, 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 and incidental to collect those Service Payments, and to make such arrangements as are necessary and proper for payment of said Service Payments.

Section 5. This Council hereby establishes pursuant to and in accordance with the provisions of Section 5709.43 of the Ohio Revised Code, the Downtown Phase II Improvement Tax Increment Equivalent Fund (the "Fund"), into which shall be deposited all of the Service Payments distributed to the City with respect to the Improvements on the Property by or on behalf of the County Fiscal Officer as provided in Section 5709.42 of the Ohio Revised Code, together with any associated rollback payments received by the City, and hereby provides that all of the moneys deposited in the Fund shall be used for any or all of the following purposes, in such order of priority or as otherwise determined by the City, and as is consistent with the School Agreement:

(i) to pay any and all 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), other than those costs paid from special assessments collected by the City as provided in the Agreement;

(ii) to pay the interest and premium on, principal of, and administrative charges and costs of bond insurance, letters of credit or other security devices relating to, bonds or notes or other obligations, including refunding bonds or notes or other obligations, issued by the City to finance costs of the Public Improvements until such notes or bonds or other obligations are paid in full, other than those costs paid from special assessments collected by the City as provided in the Agreement;

(iii) to reimburse the City for any funds used by the City to pay costs of the Public Improvements as set forth in Exhibit B, or to pay interest, principal, or premium, on any of the aforesaid notes, bonds, loans or other obligations, other than those costs or financing to be paid from special assessments collected by the City as provided in the Agreement, prior to receipt of Service Payments; and

(iv) to pay the School District the amount owed under the School Agreement.

Section 6. The City Manager is hereby authorized and directed to sign on behalf of the City the School Agreement between the City and the School District pursuant to Ohio Revised Code Section 5709.82. The School Agreement shall be in substantially the form on file with the Clerk of Council, together with such revisions as are approved by the City Manager and City Solicitor consistent with the objectives and requirements of this Ordinance, which approval shall be conclusively evidenced by the signing of the School Agreement.

Section 7. The City, School District and Summit County acknowledge and agree that they each have received sufficient notice of the proposed passage of this Ordinance and the exemption provided for therein and waive the right to any further notice hereunder as may be required pursuant to Ohio Revised Code Sections 5709.40 or 5709.83 with respect to this Ordinance.

Section 8. Pursuant to Section 5709.40 of the Ohio Revised Code, the Clerk of Council is directed to deliver a copy of this Ordinance to the Director of the Development Services Agency of the State of Ohio within fifteen (15) 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 City Manager or her designee shall prepare and submit to the Director of the Department of Development of the State of Ohio the status report required under Section 5709.40 of the Ohio Revised Code.

Section 9. The Clerk of Council is directed to cause a fully executed certified copy of this Ordinance to be recorded with the Summit County Fiscal Office.

Section 10. This Council finds and determines that all formal actions of this Council or of any of its committees concerning and relating to the passage of this Ordinance were taken in an open meeting of this Council or of any of its committees, and that all deliberations of this Council and of any of its committees that resulted in those formal actions were in meetings open to the public in compliance with the law.

Section 11. This Ordinance is declared to be an emergency measure necessary for the immediate preservation of the public peace, health, safety and general welfare of this City, and for the further reason that this Ordinance is required to be immediately effective to allow for the City's undertaking of the Public Improvements, which are necessary to revitalize the City in an environmentally safe and sound manner, to improve traffic flow and access, and to continue vital City and School District services without interruption while enhancing economic development and re-development of the City; wherefore, this Ordinance shall be in full force and effect immediately upon its passage provided it receives the affirmative vote of five (5) members of Council except that six (6) affirmative votes shall be required if all members are present; otherwise, it shall be in full force and effect from and after the earliest period allowed by law.

PASSED: _____

David A. Basil, Mayor

ATTEST:

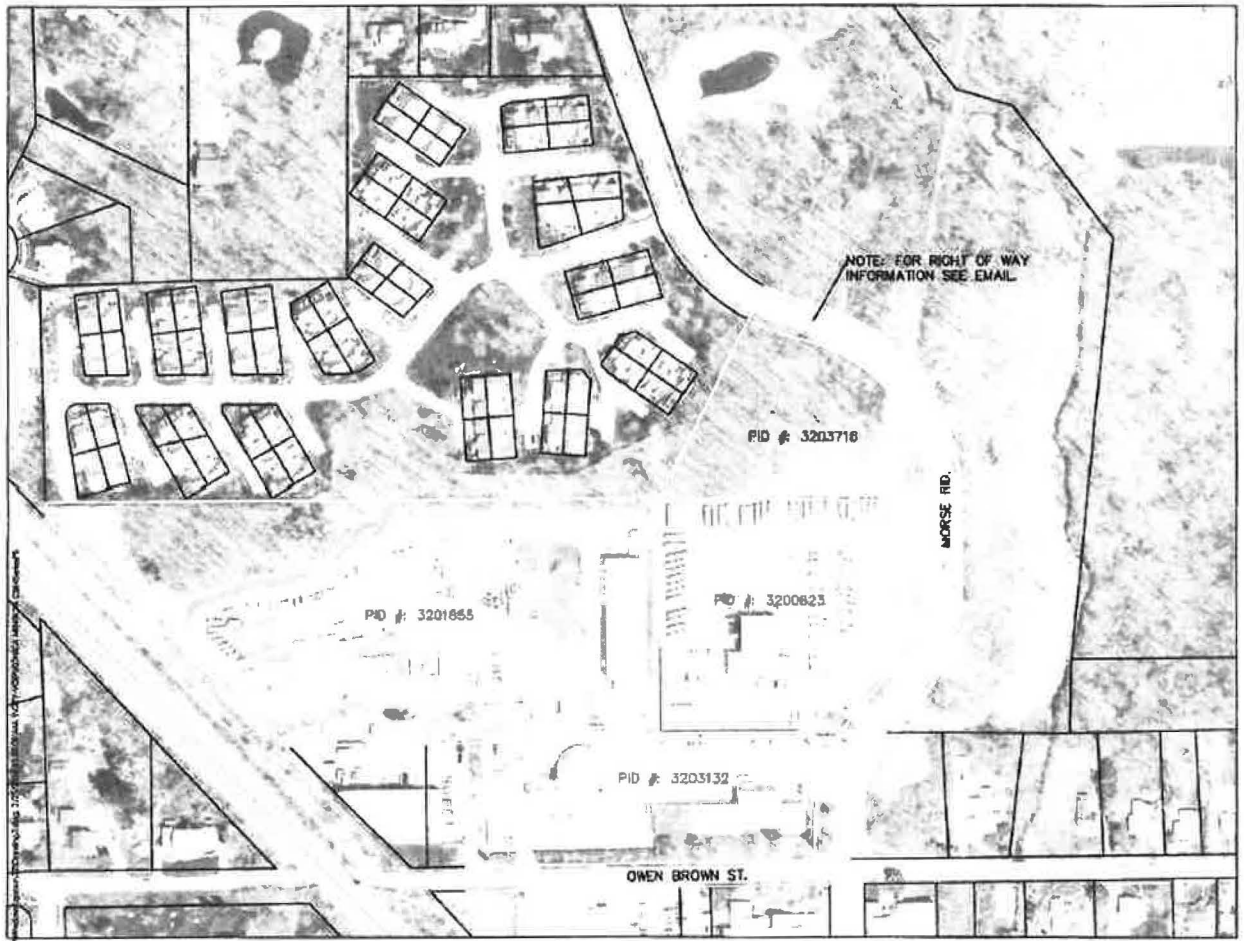
Elizabeth Slagle, Clerk of Council

I certify that the foregoing Ordinance was duly passed by the Council of said Municipality on _____, 2016.

Elizabeth Slagle, Clerk of Council

EXHIBIT A

PERMANENT PARCEL NUMBERS AND DEPICTION OF THE PROPERTY AND THE INCENTIVE DISTRICT



Permanent Parcel No. 3203716
Permanent Parcel No. 3200823
Permanent Parcel No. 3201855
Permanent Parcel No. 3203132

EXHIBIT B

DESCRIPTION OF PUBLIC INFRASTRUCTURE IMPROVEMENTS RELATED TO THE INCENTIVE DISTRICT

The Public Infrastructure Improvements include the following:

1. Costs for acquisition of real property or interests therein;
2. Site preparation costs, including but not limited to: demolition, relocation and reconstruction of public infrastructure, environmental remediation, grading of land, etc.; and
3. Costs of the design and construction of the Bus Facility, costs of the reconstruction of the City's salt dome, costs of the relocation of the City's public power facilities; and
4. All other costs related to the above ~~and the Incentive District~~ that are eligible for payment or reimbursement from service payments under Ohio law, including but not limited to reimbursement for legal, professional consulting, and engineering costs.