

RESOLUTION NO. 2018-29

A RESOLUTION DECLARING IMPROVEMENTS TO A PARCEL OF REAL PROPERTY LOCATED IN THE CITY OF BLUE ASH, OHIO TO BE A PUBLIC PURPOSE UNDER SECTION 5709.40 OF THE OHIO REVISED CODE, PROVIDING FOR THE EXEMPTION OF SUCH IMPROVEMENT FROM REAL PROPERTY TAXATION, PROVIDING FOR THE HAMILTON COUNTY AUDITOR TO DISTRIBUTE SERVICE PAYMENTS TO THE SCHOOL DISTRICTS OF SYCAMORE COMMUNITY SCHOOLS AND THE GREAT OAKS INSTITUTE OF TECHNOLOGY AND CAREER DEVELOPMENT IN THE AMOUNT THEY WOULD OTHERWISE RECEIVE ABSENT THE EXEMPTION, CREATING THE HOME2SUITES MUNICIPAL PUBLIC IMPROVEMENT TAX INCREMENT EQUIVALENT FUND FOR THE DEPOSIT OF THE REMAINDER OF SUCH SERVICE PAYMENTS, AND AUTHORIZING A PROFESSIONAL SERVICES CONTRACT WITH THOMPSON HINE LLP

WHEREAS, Section 5709.40 et seq. of the Ohio Revised Code authorizes municipal corporations to participate in a financing technique commonly known as a tax increment financing; and

WHEREAS, JU of Kenwood, LLC, an Ohio limited liability company (together with its successors and assigns, the “Owner”), owns a parcel of real property (a description of which is attached hereto as Exhibit A and referred to herein as the “Parcel”) which is located in the City of Blue Ash, Ohio (the “City”); and

WHEREAS, the Owner, or its agents, affiliates, designees or lessees, is in the process of constructing, or may construct in the future, various commercial projects on the Parcel, including a new 98-room, 5-story hotel; and

WHEREAS, Ohio Revised Code Sections 5709.40, 5709.42 and 5709.43 provide that this Council may declare improvements to a parcel of real property located in the City to be a public purpose, thereby exempting such improvements from real property taxation for a period of time, specify public infrastructure improvements to be made to benefit the parcel, provide for the making of service payments in lieu of taxes by the Owner thereof (the “Service Payments”), provide for the distribution of the applicable portion of those Service Payments to the school districts of Sycamore Community Schools (the “Sycamore School District”) and the Great Oaks Institute of Technology and Career Development (the “Great Oaks Vocational School District”), and establish a municipal public improvement tax increment equivalent fund within the accounting records of the City into which the remainder of such Service Payments shall be deposited and expended; and

WHEREAS, the City has determined that it is necessary and appropriate and in the best interests of the City to grant a tax increment property tax exemption for the Parcel comprising the “Home2Suites TIF”, the boundary of which shall be coextensive with the boundary of, and shall include, the Parcel, and provide for the payment of Service Payments with respect to the Parcel pursuant to Section 5709.42 of the Ohio Revised Code; and

WHEREAS, the City has determined that a portion of the Service Payments shall be paid to the school districts of the Sycamore School District and the Great Oaks Vocational School District by the Hamilton County Auditor in an amount equal to the real property taxes that the Sycamore School District and the Great Oaks Vocational School District would have been paid if improvements to the Parcel located in the Sycamore School District and the Great Oaks Vocational School District had not been exempted from taxation pursuant to this Resolution; and

WHEREAS, this Council finds and determines that notice of this proposed Resolution has been delivered to all affected city, local, exempted village or joint vocational school districts in accordance with Sections 5709.40 and 5709.83 of the Ohio Revised Code and hereby ratifies the giving of that notice;

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Blue Ash, Hamilton County, Ohio, that:

SECTION 1: Pursuant to and in accordance with the provisions of Ohio Revised Code Section 5709.40, this Council hereby creates the “Home2Suites TIF”, the boundaries of which shall be coextensive with the boundaries of the Parcel and shall include the Parcel as specifically identified in Exhibit A attached hereto.

SECTION 2: That this Council hereby finds and declares that certain public infrastructure improvements in the City, including, but not limited to the public infrastructure improvements described on Exhibit B hereto (the “Public Infrastructure Improvements”) are a public purpose. The Council further determines that the Public Infrastructure Improvements directly benefit, or once made will directly benefit, the Parcel in the Home2Suites TIF.

SECTION 3: Pursuant to and in accordance with the provisions of Ohio Revised Code Section 5709.40, this Council hereby finds and determines that the increase in the assessed value of the Parcel in the Home2Suites TIF that would first appear on the tax list and duplicate of real and public utility property after the effective date of this Resolution were it not for the tax increment property tax exemption granted by this Resolution (which increase in assessed value is hereinafter referred to as the “Improvements” and constitutes the “Improvement” as defined in Section 5709.40 of the Ohio Revised Code) is hereby declared to be a public purpose and shall be exempt from real property taxation commencing with the first tax year that begins after the effective date of this Resolution and in which the Improvements first appears on the tax list and duplicate of real and public utility property (the “Commencement Date”) and ending on the earlier of (i) thirty (30) years after the Commencement Date, or (ii) the date on which the City can no longer require the Service Payments to be paid on the Improvements. It is hereby determined that (a) a portion of the Improvements with respect to the Parcel shall be exempt from real property taxation, and (b) such portion shall be one hundred percent (100%) of the assessed value of the Improvements.

SECTION 4: As provided in Ohio Revised Code Section 5709.42, the Owner of the Parcel is hereby required to, and shall make, the Service Payments with respect to the Improvements allocable thereto to the Treasurer of Hamilton County, Ohio (the “County Treasurer”) on or before the final dates for payment of real property taxes. The Service Payments shall be charged and collected in the same manner and in the same amount as the real property taxes that would have been charged and payable against the Improvements if they were not exempt from taxation pursuant to Section 3. Any late payments shall be subject to penalty and bear interest at the then current rate established under Ohio Revised Code 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 are collectively referred to herein with the service payments in lieu of taxes as the “Service Payments”). The Service Payments, and any other payments in respect of the Parcel which are received by the County Treasurer in connection with the reduction required by Ohio Revised Section 319.302, 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 “Property Tax Rollback Payments”), shall be allocated and distributed in accordance with Section 5 of this Resolution. This Council further hereby authorizes and directs the City Manager, the Clerk of Council, the City Solicitor, the City Treasurer, or other appropriate officers of the City, to make such arrangements, and execute such agreements, as any such officer deems necessary and proper for collection of the Service Payments from the Owner of the Parcel.

SECTION 5: Pursuant to Ohio Revised Code Sections 5709.40 and 5709.42, the Auditor of Hamilton County, Ohio shall distribute the Service Payments and the Property Tax Rollback Payments as follows:

- to the Sycamore School District, an amount equal to the amounts the Sycamore School District would otherwise receive as real property tax payments (including the applicable portion of any Property Tax Rollback Payments) derived from the Improvement to the Parcel absent the passage of this Resolution,
- to the Great Oaks Vocational School District, an amount equal to the amounts the Great Oaks Vocational School District would otherwise receive as real property tax payments (including the applicable portion of any Property Tax Rollback Payments) derived from the Improvement to the Parcel absent the passage of this Resolution,
- to the City, all remaining amounts for further deposit into the Fund (as hereinafter defined).

All distributions required under this Section 5 shall be made at the same time and in the same manner as real property tax distributions.

SECTION 6: This Council hereby establishes pursuant to and in accordance with the provisions of Ohio Revised Code Section 5709.43, the Home2Suites Municipal Public Improvement Tax Increment Equivalent Fund (the "Fund"). The Fund shall be maintained in the custody of the City and shall receive all distributions required to be made to the City pursuant to Section 5. Those Service Payments and Property Tax Rollback Payments received by the City with respect to the Improvement to the Parcel and so deposited pursuant to law as provided in Ohio Revised Code Section 5709.42, shall be used to reimburse accounts of the City for the costs incurred in connection with the completion of the Public Infrastructure Improvements referred to in Section 2 hereof and for any other the purposes authorized in Ohio Revised Code Sections 5709.40, 5709.42 and 5709.43. The Fund shall remain in existence so long as such Service Payments and Property Tax Rollback Payments are collected and used for the aforesaid purposes, after which time said Fund shall be dissolved and any surplus funds remaining therein transferred to the City's General Fund, all in accordance with Ohio Revised Code Section 5709.43.

SECTION 7: This Council further hereby authorizes and directs the City Manager, the Clerk of Council, the City Solicitor, the City Treasurer, or other appropriate officers of the City to prepare and sign all agreements and instruments and to take any other actions as may be appropriate to implement this Resolution, including, but not limited to filing any required applications for tax exemption with the Hamilton County Auditor and/or Tax Commissioner of the State of Ohio.

SECTION 8: This Council further hereby authorizes and directs the Clerk of Council to certify a copy of this Resolution to the County Auditor of Hamilton County.

SECTION 9: Pursuant to Section 5709.40 of the Ohio Revised Code, the Clerk of this Council is hereby directed to deliver a copy of this Resolution to the Director of the Department of Development 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 3 hereof remains in effect, the Clerk or other authorized officer of this City 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(I) of the Ohio Revised Code.

SECTION 10: This Council hereby authorizes the City Manager to enter into, on behalf of the City, a professional services contract with Thompson Hine LLP for legal services rendered and to be rendered to the City in connection with the transactions contemplated by this Resolution.

SECTION 11: This Council finds and determines that all formal actions of this Council concerning and relating to the passage of this Resolution 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 all legal requirements.

SECTION 12: This Resolution shall be in full force and take effect immediately upon its adoption.

PASSED: June 14, 2018.

Thomas C. Adamec, Mayor

Jamie K. Eifert, Clerk of Council

APPROVED AS TO FORM AND CORRECTNESS:

Bryan E. Pacheco, City Solicitor

This Resolution prepared by:

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ATTACHMENTS: EXHIBIT A

EXHIBIT B

CERTIFICATE

The undersigned, Clerk of Council of the City of Blue Ash, County of Hamilton, Ohio, hereby certifies that the foregoing is a true and correct copy of Resolution No. 2018-29 adopted by the Council of the City of Blue Ash, Ohio, on June 14, 2018.

Jamie K. Eifert, Clerk of Council

CERTIFICATE

The undersigned, Clerk of Council of the City of Blue Ash, County of Hamilton, Ohio, hereby certifies that the foregoing is a true and correct copy of Resolution No. 2018-29 adopted by the Council of the City of Blue Ash, Ohio, on June 14, 2018.

Jamie K. Eifert, Clerk of Council

RECEIPT

The undersigned, County Auditor of the County of Hamilton, Ohio, hereby acknowledges receipt this day of the foregoing Resolution No. No. 2018-29 passed by the Council of the City of Blue Ash, County of Hamilton, Ohio, on June 14, 2018 creating the Home2Suites TIF and granting a property tax exemption for the Parcel comprising the Home2Suites TIF pursuant to the authority of the Council under Section 5709.40(B) of the Ohio Revised Code.

County Auditor

_____, 2018

EXHIBIT A

DESCRIPTION OF PARCEL

The real estate situated in the City of Blue Ash, County of Hamilton and State of Ohio (the "Parcel"), identified by the Hamilton County Auditor by the Parcel ID No. 612-0200-0415 as shown on the Hamilton County Auditor's website as of the date of this Resolution.

The listing above of the Parcel represents the real estate intended for the improvement, and shall remain so should such Parcel, or portions thereof, be consolidated, subdivided, or replatted at a time subsequent to the date of this Resolution No. 2018-29.

EXHIBIT B

DESCRIPTION OF PUBLIC INFRASTRUCTURE IMPROVEMENTS

The Public Infrastructure Improvements may include, but not be limited to, a needs assessment, traffic studies, design and engineering efforts to provide traffic control and safety improvements in the vicinity of the intersection of Cornell Park Drive and Cornell Road and the intersection of Cornell Park Drive and Reed Hartman Highway, including roadway and pedestrian/bicycle improvements and associated right-of-way easement acquisitions, the installation of new traffic control systems, street lighting, curb, gutter, storm drainage accommodations, coordinated utility improvements and relocation, lighting and signage improvements, irrigation and landscaping installation, as well as other “Public infrastructure improvements” (as defined in Section 5709.40 et seq. of the Ohio Revised Code) that directly benefit the Parcel.

The expressed intent of the Public Infrastructure Improvements is to provide for the safe and efficient movement of vehicles and the needs of pedestrians, while providing maximum access to the businesses along Cornell Park Drive, Cornell Road, and Reed Hartman Highway.