

RESOLUTION NO. 2018-43

A RESOLUTION DECLARING THE IMPROVEMENT TO PARCELS OF REAL PROPERTY LOCATED IN THE CITY OF BLUE ASH, OHIO TO BE A PUBLIC PURPOSE UNDER SECTION 5709.41 OF THE OHIO REVISED CODE, PROVIDING FOR THE EXEMPTION OF SUCH IMPROVEMENT FROM REAL PROPERTY TAXATION, PROVIDING FOR THE COLLECTION AND DEPOSIT OF SERVICE PAYMENTS AND SPECIFYING THE PURPOSES FOR WHICH THOSE SERVICE PAYMENTS MAY BE EXPENDED, AUTHORIZING THE EXECUTION AND DELIVERY OF A SERVICE AGREEMENT WITH PROJECT ANGEL, LLC, AUTHORIZING THE EXECUTION AND DELIVERY OF A SCHOOL COMPENSATION AGREEMENT WITH THE BOARD OF EDUCATION OF THE SYCAMORE COMMUNITY SCHOOL DISTRICT AND GREAT OAKS INSTITUTE OF TECHNOLOGY AND CAREER DEVELOPMENT, ESTABLISHING AN URBAN REDEVELOPMENT TAX INCREMENT EQUIVALENT FUND, AND AUTHORIZING A PROFESSIONAL SERVICES CONTRACT WITH THOMPSON HINE LLP.

WHEREAS, Sections 5709.41, 5709.42 and 5709.43 of the Revised Code (collectively, the “TIF Act”) provide that this Council may, in furtherance of the urban redevelopment activities of the City of Blue Ash, Ohio (the “City”), declare to be a public purpose any Improvement (as defined in Section 5709.41(A)(2) of the Revised Code, an “Improvement” and collectively, the “Improvements”) to a parcel of real property located in the City if: (i) the City held fee title to the parcel prior to the adoption of the resolution and (ii) the parcel is leased, or the fee of the parcel is conveyed, to any person either before or after adoption of the resolution, thereby authorizing the exemption of the Improvement from real property taxation for a period of time; and

WHEREAS, under the authority of Ordinance 2018-8, passed July 12, 2018, and prior to the adoption of this Resolution, the City approved and completed both the acquisition and conveyance of fee title to real property located at 11511 Reed Hartman Highway and comprising Permanent Parcel No. 612-0170-0610, 611, 612 and 613 cons., as further described on Exhibit A attached hereto (the “Project Site”); and

WHEREAS, in accordance with the Section 5709.41 of the Revised Code, the City desires to exempt 100% of the Improvement attributable to the Project Site for a period of 30 years (the “TIF Exemption”); and

WHEREAS, under Section 5709.41 of the Revised Code, the exemption may exceed 75% of the Improvement for up to 30 years with the approval of the Board of Education of the Sycamore Community School District (the “School District”); and

WHEREAS, Project Angel, LLC, an Ohio limited liability company, or its designee (the “Owner”) intends to redevelop the Project Site, bringing substantial employment opportunities to the City;

WHEREAS, following its acquisition of the Project Site, the Owner intends to remodel and expand the existing office building on the Project Site for use as a headquarters building for Ensemble HP, LLC, an Ohio limited liability company and an affiliate of the Owner, which remodeling and expansion will require substantial new utility upgrades to be made to the Project Site, as more fully described on Exhibit B hereto (collectively, the “Project”); and

WHEREAS, in order to induce the Owner to construct the Project and thereby create or preserve jobs and improve the economic welfare of the people of the City, the City has agreed (a) to assist the Owner in paying a portion of the costs of the Project, and (b) to construct infrastructure improvements within the area of the Project Site that are necessary for the use of the Project Site by the Owner as its headquarters, as further described on Exhibit C attached hereto (the “Infrastructure Improvements”); and

WHEREAS, to provide a source of payment of the costs of the Project and the Infrastructure Improvements, the City will require the Owner and any subsequent owner of the Project Site to make annual service payments in lieu of taxes under Section 5709.42 of the Revised Code (“Service Payments”) in the amount of the real estate taxes that would have been paid had the Improvement to the Project Site not been exempt; and

WHEREAS, the City and the Owner have proposed to enter into a Service Agreement pursuant to which the Owner and any subsequent owner of the Project Site will agree to make Service Payments (including related agreements and any amendments or supplements thereto, the “Service Agreement”); and

WHEREAS, the City, the School District and the Great Oaks Institute of Technology (the “JVSD”) desire to enter into a School Compensation Agreement (the “School Compensation Agreement”) pursuant to Sections 5709.41 and 5709.82 of the Revised Code in order to compensate the School District and the JVSD for a portion of the real estate taxes that would have been paid to the School District and the JVSD had the City not granted the TIF Exemption, which compensation is in lieu of any other compensation that may be provided for in Section 5709.82 of the Revised Code and shall be payable solely from the Service Payments; and

WHEREAS, the Board of Education of the School District passed a resolution on August 1, 2018, a copy of which has been provided to the City, approving the TIF Exemption, waiving the notice requirements related to the TIF Exemption under Sections 5709.41 and 5709.83 of the Revised Code and authorizing officers of the School District to execute and deliver the School Compensation Agreement; and

WHEREAS, the Board of Education of the JVSD passed a resolution on July 11, 2012, a copy of which has been provided to the City, waiving any notice requirements, including those under Sections 5709.41 and 5709.83 of the Ohio Revised Code, or any other law with respect to the real property tax exemptions granted under Section 5709.41 of the Ohio Revised Code, including the TIF Exemption, and authorizing one or more officers of the JVSD to execute and deliver on behalf of the JVSD, any compensation agreement necessary in connection with the payment of compensation to the JVSD, including the School Compensation Agreement;

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

SECTION 1. That the Improvement to the Project Site is declared to be a public purpose for purposes of Section 5709.41 of the Revised Code.

SECTION 2. That, pursuant to Section 5709.41(C) of the Revised Code, this Council declares that 100% of the Improvement attributable to each parcel of real property included in the Project Site (each such parcel, as currently or subsequently configured, individually a "Parcel" and collectively the "Parcels") subsequent to the effective date of this Resolution is hereby declared to be exempt from taxation for a period commencing on the effective date of this Resolution and ending after the Improvement has been exempted from real estate taxation for 30 years, all in accordance with the requirements of Sections 5709.41, 5709.42 and 5709.43 of the Revised Code.

SECTION 3. That, as provided in 5709.42 of the Revised Code, the Owner and each subsequent owner of all or any portion of or interest in any Parcel of the Project Site is hereby required to, and shall make, Service Payments in lieu of taxes with respect to the Improvement thereto to the Treasurer of Hamilton County, Ohio (the "County Treasurer") on or before the final dates for payment of real property taxes. Each Service Payment 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 Parcel if it were not exempt from taxation pursuant to Section 2 hereof. Any late payments shall be subject to penalty and bear interest at the then current rate established under Sections 323.121(B)(1) and 5703.47 of the Revised Code, 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 Section 319.302 of the Revised Code, 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 paid to the City in accordance with Section 4 of this Resolution, and used for the payment of costs of the Project and the Infrastructure Improvements as provided in the Service Agreement (including reimbursement of accounts of the City for the costs paid or incurred in connection with the completion of the Infrastructure Improvements) and to pay compensation to the School District and the JVSD in accordance with the School Compensation Agreement, and otherwise used as provided in Section 5709.41(D) of the Revised Code.

SECTION 4. That, pursuant to Sections 5709.41 and 5709.42 of the Revised Code, the County Treasurer shall distribute the Service Payments and the Property Tax Rollback Payments to the City without the payment of any Service Payments or Property Tax Rollback Payments, or portions of any thereof, to the School District or any other political subdivision.

SECTION 5. That this Council hereby authorizes the execution and delivery by the City Manager on behalf of City of such agreements as may be necessary and appropriate to provide for the construction and financing of the Project and Infrastructure Improvements, including, without limitation, the Service Agreement, each approved as to form by the Solicitor.

SECTION 6. That this Council hereby authorizes the execution and delivery by the City Manager on behalf of the City of the School Compensation Agreement, approved as to form by the Solicitor, pursuant to which the School District and the JVSD will be compensated from Service Payments (and related payments) for a portion of the real estate taxes that would have been paid to the School District and the JVSD had the Improvement to the Project Site not been exempted from taxation pursuant to this Resolution.

SECTION 7. That the City Manager shall not be required to execute and deliver any agreements on behalf of the City, including the Service Agreement or the School Compensation Agreement, unless and until the Service Agreement and the School Compensation Agreement and other appropriate agreements between or among the City, the Owner, the School District or the JVSD are in a form and substance entirely satisfactory to the City Manager.

SECTION 8. That pursuant to Section 5709.43 of the Revised Code, there is hereby established the City of Blue Ash Urban Redevelopment Tax Increment Equivalent Fund No. 1 (the "Fund"), into which the Service Payments and Property Tax Rollback Payments received by the City with respect to the Improvement to the Project Site shall be deposited and used by the City as provided in Section 3 hereof. 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 Section 5709.43 of the Revised Code.

SECTION 9. That the Clerk of Council is hereby directed to forward a copy of this Resolution to the Hamilton County Auditor, the Treasurer of the School District and the Treasurer of the JVSD.

SECTION 10. That, pursuant to Section 5709.41 of the Revised Code, the Clerk of this Council is hereby directed to deliver a copy of this Resolution to the Director of the Ohio Development Services Agency within fifteen days after its passage. On or before March 31 of each year that the exemption set forth in Section 2 hereof remains in effect for any Parcel, the Clerk or other authorized officer of this City shall prepare and submit to the Director of the Ohio Development Services Agency the status report required under Section 5709.41(E) of the Revised Code.

SECTION 11. That 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 12. That it is hereby found and determined 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 and of any of its committees that resulted in such formal action were taken in meetings open to the public, in compliance with all legal requirements, including Section 121.22 of the Revised Code.

SECTION 13. That this Resolution is enacted pursuant to and in conformity with the requirements of the Charter of the City as in effect on the date of adoption of this Resolution and is intended to, and is hereby determined to, satisfy all legal requirements under the Charter and the Revised Code (including, without limitation, Section 5709.41 of the Revised Code) for the enactment of an ordinance to declare the public purposes herein declared, to grant the TIF Exemption herein granted, to impose the Service Payment obligation herein imposed, to authorize the execution and delivery of the contracts and agreements of the City herein authorized, and to authorize and approve all other actions by and on behalf of the City herein authorized and approved.

SECTION 14. That this Resolution shall be in force immediately upon its passage.

PASSED: September 13, 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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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. 2018-43 adopted by the Council of the City of Blue Ash, Ohio, on September 13, 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 a copy of the foregoing Resolution No. 2018-43 passed by the Council of the City of Blue Ash, County of Hamilton, Ohio, on September 13, 2018, was certified this day to the County Auditor of the County of Hamilton, Ohio.

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. 2018-43 passed by the Council of the City of Blue Ash, County of Hamilton, Ohio, on September 13, 2018.

County Auditor

By: _____
Deputy

September [__], 2018

EXHIBIT A

DESCRIPTION OF THE PROJECT SITE

Situate in Section 18, Town 4, Entire Range 1, Sycamore Township, City of Blue Ash, Hamilton County, Ohio, and being more particularly described as follows:

Commencing from the northeast corner of said Section 18, measure along the north line of said Section 18, North 83 deg. 28' 00" West, 221.93 feet to the west right-of-way line of Reed Hartman Highway and the point of beginning of the parcel herein described; thence from said beginning point, along the said west right-of-way line of Reed Hartman Highway, South 12 deg. 01' 45" West, 1588.96 feet; thence departing the said west right-of-way line of Reed Hartman Highway, North 00 deg. 28' 00" East, 315.56 feet; thence North 84 deg. 35' 36" West, 1628.09 feet; thence North 00 deg. 26' 30" East, 1307.25 feet to the north line of Section 18; thence along the north line of said Section 18, South 83 deg. 28' 00" East, 1952.03 feet to the place of beginning. Containing 53.8995 acres, more or less.

Basis of Bearings: Record Plat for Crosley Farms Subdivision as recorded in Plat Book 25, Page 45, H.C.R.O.

Parcel No. 612-0170-0610, 611, 612 and 613 cons.

This description was prepared by Robert J. Trenkamp, Registered Land Surveyor in Ohio #8304 and is based on a survey made by Thomas Graham Associates, Inc. dated February 14, 2018.

EXHIBIT B

DESCRIPTION OF PROJECT

The Project includes an interior renovation of the entire existing 300,000 sf office building located at the premises of the Project Site (the “Office Building”) and the replacement of exterior glass on the portion of the Office Building fronting Reed Hartman Highway. The Project also entails an approximately 80,000 sf addition to the Office Building and an infill connector for a new entrance. Parking lots will be relocated and expanded.

The Project Site is currently served by a power plant across Reed Hartman Highway. The Project Site will be taken off the existing power plant and new electric, gas, fiber, and telephone will be installed, as well as the addition of increased capacity for water and sewer due to the expansion.

The term “Project” includes all of the foregoing improvements, renovations and new construction, including both the Office Building and any additions thereto.

EXHIBIT C

DESCRIPTION OF INFRASTRUCTURE IMPROVEMENTS

The Infrastructure Improvements include, but are not be limited to:

(a) a needs assessment, (b) traffic studies, (c) design and engineering to provide traffic control, connectivity, efficiency and safety improvements in the vicinity of Reed Hartman Highway, Cornell Road, Cornell Park Drive, Williamson Road, Grooms Road, and the 1-275 interchange and (d) necessary 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 any other “Public infrastructure improvements” (as defined in Section 5709.40 et seq. of the Ohio Revised Code) that are necessary for the use of the Project Site by the Owner as its headquarters.