

RESOLUTION NO. 2018-44

AUTHORIZING THE CITY MANAGER TO ENTER INTO A
DEVELOPMENT AGREEMENT WITH PROJECT ANGEL, LLC
OR ITS DESIGNEE

WHEREAS, it is in the best interests of the City of Blue Ash, Ohio (the "City") to encourage and support continued economic development growth in the City in accordance with the 2015 Comprehensive Plan, the 2018 Final Budget, and general direction from City Council; and

WHEREAS, pursuant to Sections 5709.41, 5709.42 and 5709.43 of the Revised Code (collectively, the "TIF Act") the City has, in furtherance of the urban redevelopment activities of the City, declared 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 (the "Project Site"); 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; 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 Real Property for a period of 30 years (the "TIF Exemption"); and

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 (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 Sycamore Community School District (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 City and the Owner have proposed to enter into a Development Agreement pursuant to which the Owner will agree to remodel and expand the existing office building on the Project Site and construct the Project and the City will agree to construct the Infrastructure Improvements and use Service Payments to pay a portion of the costs of the Project and the Infrastructure Improvements (including related agreements and any amendments or supplements thereto, the "Development Agreement")

Be it resolved by the Council of the City of Blue Ash, Ohio,

SECTION I.

The City Manager is hereby authorized to enter into the Development Agreement, including any agreements or supplements related thereto, with the Owner. The City Manager shall not be required to execute and deliver the Development Agreement, unless and until the Development Agreement, 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.

In accordance with the Development Agreement, the Owner will receive an incentive grant not to exceed:

- Fifteen percent (15%) of the total Service Payments received by the City;
- Up to \$130,000 rebate of building permit fees; and
- To the extent the City receives infrastructure improvement grants from the State of Ohio to support the Infrastructure Improvements and the Project (the "Infrastructure Grant"), the net total of the Infrastructure Grant in excess of \$350,000.

These funds will be used by the Owner, and its permitted successors and assigns, to construct the Project on the Project Site. The Development Agreement shall specify default procedures to the satisfaction of the City Manager to ensure that the City's interests are protected.

SECTION II.

The purpose of these grants is to create job and employment opportunities and to improve the economic welfare of the City of Blue Ash's citizens as authorized under Article VIII, Section 13 of the Ohio Constitution.

SECTION III.

The Treasurer is hereby authorized to expend the necessary funds therefor; which funds are hereby appropriated.

SECTION IV.

This resolution shall be in full force and take effect immediately upon its adoption.

PASSED this 13th of September, 2018.

Thomas C. Adamec, Mayor

Jamie K. Eifert, Clerk of Council

APPROVED AS TO FORM:

Bryan E. Pacheco, Solicitor