



Introduced 12-7-2015

## CITY OF PATASKALA

### ORDINANCE 2015-4247

#### **AN ORDINANCE APPROVING A COMPENSATION AGREEMENT WITH THE LICKING HEIGHTS LOCAL SCHOOL DISTRICT IN CONNECTION WITH POSSIBLE PROPERTY TAX EXEMPTIONS IN A PORTION OF THE PATASKALA CORPORATE PARK.**

WHEREAS, Ohio Revised Code (“R.C.”) Sections 5709.40 et seq. (the “TIF Act”) authorize municipal corporations to grant tax exemptions for improvements to real property in connection with tax increment financing arrangements entered into pursuant to the TIF Act; and

WHEREAS, R.C. Sections 3735.65 et seq. (the “CRA Act”) authorize municipal corporations to designate areas as "community reinvestment areas" and to grant real property tax exemptions for new construction within those areas; and

WHEREAS, in order to encourage commercial, industrial and other economic development in the City of Pataskala, Ohio (the "City"), the City, the City of Newark and the Township of Harrison have created the Pataskala Corporate Park Joint Economic Development District (the “JEDD”) pursuant to R.C. Sections 715.72 through 715.83; and

WHEREAS, the board of directors of the JEDD levies an income tax on income earned by persons working in the JEDD and on the net profits of businesses located in the JEDD, a portion of which is shared with the City (the “City Portion of the JEDD Tax”) pursuant to the resolution of such board authorizing such JEDD income tax; and

WHEREAS, to encourage the development of properties within the JEDD, the City is considering the granting of (i) one or more such property tax exemptions pursuant to the TIF Act to a portion of the JEDD within the boundaries of the Licking Heights Local School District (the “School District”) and described in Exhibit A attached hereto (the "Licking Heights Area"), with each such exemption to be in an amount not to exceed one hundred percent (100%) of the increase in assessed value of each parcel of real property subject to that exemption and for a period not to exceed thirty (30) years for each parcel of real property subject to that exemption (each, a "TIF Exemption"), and (ii) one or more of such property tax exemptions pursuant to the CRA Act with respect to a portion of the JEDD within the Licking Heights Area, with each such exemption to be for a period not to exceed fifteen (15) years and in an amount not to exceed one hundred percent (100%) of the value of structures to be developed on the real property so exempted

(each, a "CRA Exemption"), all in connection with the development of the real property located in the Licking Heights Area; and

WHEREAS, the TIF Act, the CRA Act and other provisions of the R.C, require notice to and the consent of the board of education (the "Board of Education") of the School District in certain circumstances as conditions to the City's ability to grant TIF Exemptions and CRA Exemptions; and

WHEREAS, the City has proposed that the Board of Education enter into a Compensation Agreement (the "Compensation Agreement") whereby the Board of Education would be paid a portion of the City Portion of the JEDD Tax in exchange for the waiver of the notices to and the consent of the Board of Education required by the TIF Act and the CRA Act; and

WHEREAS, the terms of the Compensation Agreement have been negotiated and this City Council desires to authorize the execution and delivery of the Compensation Agreement by the City;

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF PATASKALA (hereinafter called the "City"), COUNTY OF LICKING, OHIO, that:

SECTION 1. The City Administrator and the Director of Finance are each individually authorized, on behalf of the City and in their official capacities, to execute and deliver a Compensation Agreement with the School District in substantially the form now on file with the Clerk of the City Council, each of which this City Council finds and determines is in the best interests of the City and its citizens and taxpayers. The Compensation Agreement is hereby approved with such changes that are not materially inconsistent with this ordinance and not substantially adverse to the City and that are permitted by law and shall be approved by said official or officials. The approval of such changes, and that such changes are not materially inconsistent with this ordinance and not substantially adverse to City, shall be conclusively evidenced by the signing of the Compensation Agreement by such official or officials. The City Administrator, the Director of Finance, and other appropriate officials of the City are also each individually authorized and directed to execute and deliver any other agreements and to take all other actions and do all other things necessary and consistent with this ordinance in order to accomplish the purposes of this ordinance.

SECTION 2. It is found and determined that all formal actions of this City Council concerning and relating to the adoption of this ordinance were adopted in an open meeting of this City Council, and that all deliberations of this City Council and of any of its committees that resulted in such formal action, were in meetings open to the public, in compliance with the law, including R.C. Section 121.22.

SECTION 3. This ordinance shall take effect at the earliest time permitted by law.

ATTEST:

\_\_\_\_\_  
Kathy M. Hoskinson, Clerk of Council

\_\_\_\_\_  
Michael W. Compton, Mayor

Approved as to Form

\_\_\_\_\_  
Rufus B. Hurst, Law Director

**CERTIFICATE**

I hereby certify that the foregoing is a true and correct copy of Ordinance No. 2015-  
\_\_\_\_\_ passed by the City Council of the City of Pataskala, Ohio, on \_\_\_\_\_, 2015.

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Clerk of City Council,  
City of Pataskala, Ohio

Date: \_\_\_\_\_, 2015

## COMPENSATION AGREEMENT

This Compensation Agreement (this "Agreement") is made and entered into as of this \_\_\_ day of \_\_\_\_\_, 2015, by and between the City of Pataskala, Ohio (the "City"), a municipal corporation organized and existing under the constitution and the laws of the State of Ohio and its Charter, and the Board of Education (the "Board of Education") of the Licking Heights Local School District (the "School District"), a public school district and existing under the constitution and laws of the State of Ohio.

WHEREAS, it has been and is in the best interests of the City and the School District to designate certain areas common to both their jurisdictional areas for commercial, industrial and other business development from time to time; and

WHEREAS, the City, the Township of Harrison in Licking County, and the City of Newark (collectively, the "JEDD Parties"), have created a joint economic development district within an area of the City known as the "Pataskala Corporate Park" (the "JEDD") pursuant to Sections 715.72 through 715.83 of the Ohio Revised Code (hereinafter the "R.C.") and a Joint Economic Development District Contract with an effective date of February 13, 2010 (the "JEDD Contract") to facilitate economic development within the JEDD to the benefit of the JEDD parties; and

WHEREAS, a portion of the area within the JEDD shown on Exhibit A (the "Licking Heights Area") is within the territorial boundaries of the School District; and

WHEREAS, the City anticipates that, in order to facilitate development of properties within the Licking Heights Area, it may be necessary to exempt some or all of the parcels comprising such parcels from real property taxes as (a) a community reinvestment area (a "CRA") pursuant to R.C. Sections 3735.65 et seq. ("CRA Exemptions") or (b) an area subject to tax increment financing (a "TIF") pursuant to R.C. 5709.40 et seq. ("TIF Exemptions"); and

WHEREAS, R.C. Sections 3735.671 and 5709.83 require that notice be given to, and in some cases, consent be obtained from, the board of education of the affected city, local or exempted village school district prior to implementing any CRA Exemptions; and

WHEREAS, pursuant to the JEDD Contract, (i) an income tax is levied by the JEDD upon income earned by persons working in the JEDD and on the net profits of businesses located in the JEDD (the "JEDD Income Tax") for a minimum of forty (40) years, and (ii) the City annually receives 51.500% of the proceeds of the JEDD Income Tax (the "City's Share of JEDD Income Tax Proceeds"); and

WHEREAS, in order to facilitate the development of the Licking Heights Area of the JEDD, the City and the Board of Education desire to agree in advance the terms upon which the School District will be compensated for the granting of any such tax exemptions; and

WHEREAS, the Board of Education of the School District by its Resolution No. \_\_\_\_ adopted \_\_\_\_\_, 2015, a true copy of which is attached hereto as Exhibit B (the "School District Resolution"), and the City Council of the City by its Ordinance \_\_\_\_ adopted \_\_\_\_\_, 2015, a

true copy of which is attached hereto as Exhibit B, have approved and authorized the execution of this Agreement;

NOW, THEREFORE, in consideration of the premises and covenants contained herein, the parties hereto agree to the foregoing premises and as follows:

Section 1. School District Approval of CRA and TIF in Licking Heights Area. In consideration of the City's agreement to make the payments provided for in Section 2 of this Agreement, the Board of Education of the School District approves and consents to, and agrees it will not challenge: (a) any CRA or CRA Exemption or (b) any TIF or TIF Exemption as, when and to the extent authorized and implemented by the City in the Licking Heights Area of the JEDD, provided that the City specify in its legislation authorizing any TIF or any related TIF Exemption that, pursuant to R.C. Section 5709.40(D)(1), payments in lieu of taxes provided for in R.C. Section 5709.42 with respect to that TIF or any related TIF Exemption shall be paid to the School District in the amount of taxes that would have been payable to the School District absent that TIF or any related TIF Exemption.

Section 2. Payment to School District. For each calendar year that any CRA Exemption is in effect, the City shall pay to the School District 31.429% of the proceeds of the JEDD Income Tax (being 61.027% of the City's Share of the JEDD Income Tax Proceeds) received by the City during such calendar year; provided, however, that the aggregate amount of payments to the School District under this Section for a given calendar year shall not exceed the aggregate amount of real property tax payments that would have been payable the School District absent the real property tax exemptions and other incentives granted for Projects pursuant to the CRAs or TIFs authorized or implemented by the City in the Licking Heights Area. Absent an agreement otherwise, the City shall make the payments to the School District as directed by the Treasurer of the Board of Education on or before the 45th day following the end of each calendar quarter, except that the final payment for each calendar year shall be made no later than the May 31st following the end of that calendar year. The City may adjust subsequent payments to the School District to correct previous over or under payments.

Section 3. No Other Application of R.C. Section 5709.82. The Board of Education acknowledges and agrees that this Agreement provides for the only compensation to be received by the Board of Education and the School District from the City in connection with property tax exemptions and other incentives granted pursuant to the CRAs or TIFs authorized or implemented by the City in the Licking Heights Area and the compensation provided for herein is in lieu of any other compensation that may be provided for in R.C. Sections 3735.671 and 5709.82 as presently or hereafter enacted or any other law hereafter enacted that would otherwise require compensation payments to the School District.

Section 4. Amendment. This Agreement may be amended or modified by the parties only in writing, signed by both parties to the Agreement.

Section 5. Entire Agreement, Waiver of Notice. This agreement is executed pursuant to R.C. Sections 3735.671 and 5709.82 and sets forth the entire agreement and understanding between the parties as to the subject matter hereof, including without limitation all forms of compensation to be paid by the City to the Board of Education and the School District pursuant to those



Section 8. Counterparts. This Agreement may be executed in any number of counterparts, all of which taken together shall constitute one and the same instrument, and any party to this Agreement may execute this Agreement by signing any such counterpart.

Section 9. Extent of Covenants, Binding Effect: No Personal Liability. All covenants, stipulations, obligations and agreements of the parties contained in this Agreement shall be effective to the extent authorized and permitted by applicable law. Each provision of the Agreement is binding upon the officer(s) or other person(s) and any body or bodies as may from time to time have the authority under the law to take the actions as may be necessary to perform all or any part of the duty required by a given provision of this Agreement. Each duty of the City and its bodies, officers and employees, undertaken pursuant to the Agreement, is established as a duty of the City and of each such officer, employee or body having authority to perform that duty, specifically enjoined by law resulting from an office, trust or station within the meaning R.C. Section 2731.01, providing for enforcement by writ of mandamus. No such covenant, stipulation, obligation or agreement shall be deemed a covenant, stipulation, obligation or agreement of any present or future member, officer, agent, or employee of any parties in their individual capacity.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed in their respective names by their duly authorized representatives, all as of the date first written above.

**CITY OF PATASKALA, OHIO**

**LICKING HEIGHTS LOCAL  
SCHOOL DISTRICT**

By:

\_\_\_\_\_

City Administrator

By:

\_\_\_\_\_

Superintendent

Approved as to form:

\_\_\_\_\_

Rufus B. Hurst  
Director of Law

By:

\_\_\_\_\_

Treasurer

**FISCAL OFFICER'S CERTIFICATE**

The undersigned, Fiscal Officer of the City of Pataskala, Ohio, certifies hereby that the moneys required to meet the obligations (if any) of the City during the year 2015 under the foregoing Agreement have been appropriated lawfully for that purpose, and are in the Treasury of the City or in the process of collection to the credit of an appropriate fund, free from any previous encumbrances. This Certificate is given in compliance with Sections 5705.41 and 5705.44, Ohio Revised Code.

Dated: \_\_\_\_\_, 2015

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Director of Finance

