

## ORDINANCE NO. 21-112

**AN ORDINANCE REMOVING PARCELS FROM THE EXISTING DOWNTOWN TAX INCREMENT FINANCING AREA BY AMENDING ORDINANCE NO. 18-085; TO CREATE A NEW TAX INCREMENT FINANCING DISTRICT ENCOMPASSING CERTAIN PARCELS OF REAL PROPERTY; DECLARING IMPROVEMENTS TO CERTAIN PARCELS OF REAL PROPERTY TO BE A PUBLIC PURPOSE, DESCRIBING THE IMPROVEMENTS TO BE MADE TO DIRECTLY BENEFIT SUCH PARCELS, REQUIRING THE OWNER OF THE IMPROVEMENTS ON SUCH PARCEL TO MAKE SERVICE PAYMENTS IN LIEU OF TAXES, ESTABLISHING A TAX INCREMENT EQUIVALENT FUND (COOKE BUILDING IMPROVEMENT FUND) FOR THE DEPOSIT OF SUCH SERVICE PAYMENTS, APPROVING THE COMPENSATION AGREEMENT WITH SANDUSKY CITY SCHOOL DISTRICT, AND RELATED AUTHORIZATIONS PURSUANT TO OHIO REVISED CODE SECTIONS 5709.41, 5709.42 AND 5709.43; AND DECLARING THAT THIS ORDINANCE SHALL TAKE IMMEDIATE EFFECT IN ACCORDANCE WITH SECTION 14 OF THE CITY CHARTER.**

**WHEREAS**, this City Commission on April 23, 2018 passed its Ordinance No. 18-085 creating the Downtown Tax Increment Financing Area encompassing certain parcels of real property attached as Exhibit "A" to Ordinance No. 18-085; and

**WHEREAS**, this City Commission desires to remove certain parcels from the Downtown Tax Increment Financing Area to address the redevelopment of certain areas within the City; and

**WHEREAS**, Ohio Revised Code Sections 5709.41, 5709.42 and 5709.43 (the "Act") provide that this City Commission, by ordinance, may create TIF districts within the corporate boundaries of the City of Sandusky, Ohio ("City") and that this City Commission may (i) describe improvements to be made which directly benefit certain parcels, (ii) declare Improvements (as defined in Ohio Revised Code Section 5709.41) with respect to such parcels of real property located in the City to be a public purpose, thereby authorizing the exemption of those Improvements from real property taxation for a period of time, (iii) provide for the making of service payments in lieu of taxes by the owner of such parcels, and (iv) establish a tax increment equivalent fund into which such service payments shall be deposited; and

**WHEREAS**, this City Commission has determined to create the Cooke Building TIF Area pursuant to the TIF Act including the parcels of real property specifically identified and depicted in Exhibit "A" attached hereto (with each of those parcels referred to herein individually as a "Parcel" and collectively as the "Parcels"); and

**WHEREAS**, Section 5709.41 of the Ohio Revised Code requires the City to have held title to each Parcel while engaged in urban redevelopment and prior to the passage of an ordinance declaring the improvements to the Parcels to be a public purpose; 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 Parcels to be made pursuant to Ohio Revised Code Section 5709.42 (the "Service Payments") to pay for costs of the Improvements; and

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**WHEREAS**, the Parcels are located in the Sandusky 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 4 providing for certain payments to be made by the City to the School District from Service Payments received (the “School Compensation Agreement”); and

**WHEREAS**, this Ordinance should be passed as an emergency measure under suspension of the rules in accordance with Section 14 of the City Charter in order to immediately create the Cooke Building TIF Area, allow for the immediate execution of the necessary agreements, and so that the redevelopment of the Hogrefe-Cooke Project can be completed; and

**WHEREAS**, in that it is deemed necessary in order to provide for the immediate preservation of the public peace, property, health, and safety of the City of Sandusky, Ohio, and its citizens, and to provide for the efficient daily operation of the Municipal Departments of the City of Sandusky, Ohio, the City Commission of the City of Sandusky, Ohio finds that an emergency exists regarding the aforesaid, and that it is advisable that this **Ordinance** be declared an emergency measure which will take immediate effect in accordance with Section 14 of the City Charter upon its adoption; and NOW, THEREFORE,

BE IT ORDAINED BY THE CITY COMMISSION OF THE CITY OF SANDUSKY, OHIO, THAT:

Section 1. Exhibit “A” to Ordinance No. 18-085 is hereby amended to remove from the Downtown Tax Increment Financing Area the Parcels included in Exhibit “A” to this Ordinance and the Economic Development Director shall prepare a substitute Exhibit “A” to Ordinance No. 18-085 reflecting those deletions.

Section 2. Pursuant to and in accordance with the provisions of Ohio Revised Code Section 5709.41, and, in particular, Section 5709.41(C), this City Commission hereby finds and determines that one hundred percent (100%) of the increase in the assessed value of each Parcel after the date that the City obtained fee title to the Parcels (each of which increase in assessed value is an “Improvement” as defined in R.C. Section 5709.41) shall be a public purpose and shall be exempt from real property taxation commencing for each Parcel on the effective date of this Ordinance, and ending for each Parcel on the earlier of (a) thirty (30) years after such commencement, or (b) the date on which the City can no longer require service payments in lieu of taxes, all in accordance with the requirements of the Act.

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Section 3. As provided in Ohio Revised Code Section 5709.42, the owner or owners of an Improvement are hereby required to and shall pay the Service Payments to the County Treasurer semi-annually with respect to the applicable period of exemption on or before the final dates for each payment of real property taxes, which Service Payments, together with any associated rollback payments and related interest and penalty payments, shall be deposited in the tax increment equivalent fund established in Section 4 hereof. This City Commission hereby authorizes the City Manager, Director of Finance and Director of Law, and other appropriate officers of the City, to provide such information and certifications, to make such filings, and execute and deliver or accept delivery of such instruments, as are necessary and incidental to provide for the collection of those Service Payments, and to make such arrangements as are necessary and proper for payment of the Service Payments.

Section 4. This City Commission hereby establishes pursuant to and in accordance with the provisions of Section 5709.43 of the Ohio Revised Code, the Cooke Building Improvement Tax Increment Equivalent Fund (the "Fund"), into which shall be deposited all of the Service Payments and any associated rollback payments and related interest and penalty payments distributed to the City with respect to the Improvements on the Parcel by or on behalf of the County Treasurer as provided in Ohio Revised Code Section 5709.42, and this City Commission hereby provides that all of the moneys deposited in the Fund shall be used for any or all of the following purposes:

(i) to pay any and all planning, engineering, legal, acquisition, construction, installation, and financing costs, and any and all other direct and indirect costs of the private improvements, including those costs set forth in Ohio Revised Code Section 133.15(B) as costs of permanent improvements;

(ii) to pay the interest and premium on and principal of bonds or notes, including refunding or additional bonds or notes or other obligations issued or loans entered into by the City or other governmental entity to finance costs of the Improvements until such notes or bonds or other obligations or loans are paid in full, and to pay trustee and other costs related to servicing the obligations and providing and replenishing a reserve fund and to pay any costs charged by the issuer of the obligations;

(iii) to reimburse the City or other governmental entity or a private entity under contract with the City for any funds used to pay costs of the Improvements, or to pay interest, principal, or premium, and related costs on any of the aforesaid notes, bonds, loans or other obligations, prior to receipt of Service Payments; and

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

The Fund shall remain in existence so long as the Service Payments are collected and used for the aforesaid purposes, after which said Fund shall be dissolved in accordance with said Section 5709.43.

Section 5. The City Manager is hereby authorized and directed to sign on behalf of the City the School Compensation Agreement between the City and the School District pursuant to Ohio Revised Code Section 5709.82, in substantially the form on file with the Clerk of the City Commission, together with such revisions as are approved by the City Manager and Law Director consistent with the objectives and requirements of this Ordinance, which approval shall be conclusively evidenced by the signing of the School Compensation Agreement.

Section 6. Pursuant to Ohio Revised Code Section 5709.41, the Clerk of the City Commission is hereby directed to deliver a copy of this Ordinance to the Director of the Development Services Agency of the State of Ohio within fifteen days after its passage. On or before March 31 of each year that any exemption set forth in Section 2 hereof remains in effect, the City Manager or other authorized officer of this City shall prepare and submit to the Director of the Development Services Agency of the State of Ohio the status report required under Ohio Revised Code Section 5709.41.

Section 7. This City Commission hereby designates the Tax Incentive Review Council (the "TIRC") established in Ordinance No. 06-055, passed June 26, 2006 as the TIRC that shall annually review the exemptions provided pursuant to this Ordinance as required by R.C. Section 5709.85.

Section 8. The Clerk of the City Commission is directed to deliver a certified copy of this ordinance to the County Auditor.

Section 9. If any section, phrase, sentence, or portion of this Ordinance is for any reason held invalid or unconstitutional by any Court of competent jurisdiction,

such portion shall be deemed a separate, distinct, and independent provision, and such holding shall not affect the validity of the remaining portions thereof.

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

Section 11. That for the reasons set forth in the preamble hereto, this Ordinance is hereby declared to be an emergency measure which shall take immediate effect in accordance with Section 14 of the City Charter after its adoption and due authentication by the President and the Clerk of the City Commission of the City of Sandusky, Ohio.



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RICHARD R. BRADY  
PRESIDENT OF THE CITY COMMISSION



ATTEST:

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MCKENZIE E. SPRIGGS  
CLERK OF THE CITY COMMISSION

Passed: July 12, 2021

EXHIBIT "A"

PARCEL LIST

Permanent Parcel Nos: 56-00527.000, 56-00528.000, and 56-00528.001.