

**ORDINANCE NO. 146-17**

**AN ORDINANCE DECLARING THE IMPROVEMENTS TO CERTAIN REAL PROPERTY WITHIN THE CITY TO BE A PUBLIC PURPOSE; DESCRIBING THE PUBLIC IMPROVEMENTS TO BE MADE TO DIRECTLY BENEFIT SUCH PARCELS; EXEMPTING SUCH IMPROVEMENTS FROM AD VALOREM REAL PROPERTY TAXATION; REQUIRING THE OWNER OF THE IMPROVEMENTS TO MAKE SERVICE PAYMENTS IN LIEU OF AD VALOREM REAL PROPERTY TAXES; AUTHORIZING THE EXECUTION OF A REVENUE SHARING AGREEMENT WITH THE MEDINA CITY SCHOOL DISTRICT; AND ESTABLISHING A MUNICIPAL IMPROVEMENT TAX INCREMENT EQUIVALENT FUND FOR THE DEPOSIT OF THE SERVICE PAYMENTS IN LIEU OF AD VALOREM PROPERTY TAXES, ALL PURSUANT TO SECTIONS 5709.40, 5709.42 AND 5709.43 OF THE REVISED CODE.**

**WHEREAS:** Sections 5709.40, 5709.42 and 5709.43 of the Revised Code (the “Act”) provide that this Council may describe public improvements to be made that directly benefit certain parcels and declare “Improvements” (as defined in Section 5709.40) 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, and provide for the making of service payments in lieu of ad valorem real property taxes by the owner of such parcels, and establish a municipal public improvement tax increment equivalent fund into which such service payments shall be deposited; and

**WHEREAS:** The City intends to secure one or more developers (each, a “Developer”) to develop, redevelop and/or renovate certain parcels of real property in the City as more particularly described in Exhibit A attached hereto (the “TIF Site”) consisting of a variety of uses (the “Development”); and

**WHEREAS:** In order to successfully develop the TIF Site, it is necessary to construct or to cause to be constructed certain public infrastructure improvements as defined in Section 5709.40(A)(7) of the Revised Code and as further described in Exhibit B attached hereto (the “Public Infrastructure Improvements”) that will directly benefit the TIF Site; and

**WHEREAS:** The Public Infrastructure Improvements and the Development are a public purpose of the City, and provide the conditions necessary to permit the City to lawfully exempt the TIF Site from real property taxation as authorized herein; and

**WHEREAS:** The presence of the Development in the City will benefit the City and its residents by creating economic opportunities, increasing local employment opportunities, enlarging the property tax and income tax bases, and stimulating collateral development in the City; 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 taxes with respect to the Improvement of the TIF Site, pursuant to Section 5709.42 of the Revised Code, to pay costs of the Public Infrastructure Improvements; and

**WHEREAS:** This Council has previously delivered a written notice to the Medina County Career Center (the "Career Center") of this Council's intent to take formal action on this Ordinance in accordance with the requirements of Section 5709.83(B) of the Revised Code; and

**WHEREAS:** The Medina City School District (the "School District") has waived its right to receive written notification of this Ordinance consistent with Section 5709.83(B) of the Revised Code.

**NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF MEDINA, OHIO, THAT:**

**SEC. 1:** The Public Infrastructure Improvements described in Exhibit B are hereby designated as those public improvements that directly benefit, or that once made will directly benefit, the TIF Site and the City and, together with the balance of the Development, are determined to be necessary for the public health, safety and welfare, and a public purpose.

**SEC. 2:** Pursuant to and in accordance with the provisions of Section 5709.40(B) of the Revised Code, this Council hereby finds and determines that 100% of the increase in the assessed value of the TIF Site that would first appear on the tax list and duplicate of real property after the effective date of this Ordinance (which increase in assessed value is herein referred to as the "Improvement" or "Improvements" as defined in Section 5709.40(A)(4)) is a public purpose, and 100% of said Improvement is hereby declared to be a public purpose, for a period not to exceed 30 years and exempt from taxation commencing, for each parcel, with the first tax year that begins after the effective date of this Ordinance and in which an improvement resulting from the construction of a structure on that parcel first appears and ending on the earlier of (i) the date the Improvements have been exempted from taxation for a period of 30 years or (ii) the date on which the City has collected into the Fund established in Section 4 a total amount of Service Payments (as defined below) available for and sufficient to pay in full the City Loan described in Section 4 below (the "Exemption Period"); provided, however, that certain compensatory payments shall be paid to the School District and the Career Center in the amounts and on the dates as provided in Section 6 herein.



**SEC. 3:**

As provided in Section 5709.42 of the Revised Code, the owner or owners of the Improvements are hereby required to and shall pay the service payments in lieu of ad valorem real property taxes to the County Treasurer of Medina County (the "County") (unless otherwise authorized and directed in writing by the County) on or before the final dates for payment of real property taxes, which service payments in lieu of ad valorem real property taxes, together with any associated rollback payments shall be deposited in the Municipal Public Improvement Tax Increment Equivalent Fund described in Section 4. Any late payments of service payments in lieu of ad valorem real property taxes 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 may hereinafter be amended, or any successor provisions thereto (the late payments together with the service payments in lieu of ad valorem real property taxes and rollback payments are referred to collectively as the "Service Payments"). This Council hereby authorizes the Mayor, the Director of Finance, the Director of Law, and other appropriate officers of the City, to provide such information and certifications, and execute and deliver or accept delivery of such instruments, as are necessary or incidental to collect those Service Payments, and to make such arrangements as are necessary and proper for payment of the Service Payments.

**SEC. 4:**

This Council hereby (a) establishes pursuant to and in accordance with the provisions of Section 5709.43 of the Revised Code, the Downtown Redevelopment Municipal Tax Increment Equivalent Fund (the "Fund") into which there shall be deposited all of the Service Payments with respect to the Improvements on the TIF Site by or on behalf of the City, as provided in Section 5709.42 of the Revised Code, and (b) agrees that moneys in the Fund shall be used solely for the purposes authorized in the Act, including for any or all of the following purposes:

- (i) to pay any and all planning, engineering, acquisition, construction, installation, financing costs, and any and all other direct and indirect costs of the Public Infrastructure Improvements, including those costs set forth in Section 133.15(B) of the Revised Code; and
- (ii) to pay the interest and any premium on, and principal of, any loans entered into or bonds or notes or other obligations issued or by the City or any other governmental entity to finance costs of the Public Infrastructure Improvements (including any amendment, replacement, refinancing, extension of such loans, bonds, notes or other obligations, collectively, the "City Loan") until such notes or bonds or other obligations or loans are paid in full, and to pay any trustee, administrative 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; and

- (iii) to pay the School District the School District Compensation Payments (as defined herein) owed under the Revenue Sharing Agreement as described in Section 6 herein; and
- (iv) to pay the Career Center the Career Center Compensation Payments (as defined herein) owed under Section 5709.40(D) of the Revised Code as described in Section 6 herein.

The Fund shall be maintained in the custody of the City and shall receive all distributions of Service Payments required to be made to the City. 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 Section 5709.43.

**SEC. 5:** This Council hereby designates the Public Infrastructure Improvements described in Exhibit B as "Public Infrastructure Improvements" as defined in Section 5709.40(A)(7) of the Revised Code.

**SEC. 6:** The Mayor, on behalf of the City, is hereby authorized and directed to enter into a Revenue Sharing Agreement (the "Revenue Sharing Agreement") between the City and the School District. The Revenue Sharing Agreement shall provide that during the Exemption Period, the City shall pay to the School District compensatory payments in lieu of certain real property taxes that would otherwise be payable to the School District but for the property tax exemption provided for in this Ordinance (the "School District Compensation Payments"). Such School District Compensation Payments shall be payable in the amounts, at the times, and as otherwise provided for in the Revenue Sharing Agreement. The Revenue Sharing Agreement shall be in substantially the same form as the form attached hereto as Exhibit C and is incorporated herein, with such changes as are not inconsistent with this Ordinance and not adverse to the City, which shall be established conclusively by the signature of the Mayor and approval as to form and correctness by the Director of Law thereon; provided, however, the Revenue Sharing Agreement shall become effective on the date as provided therein. In accordance with Section 5709.40(D) of the Revised Code, the City shall pay to the Career Center compensation payments (the "Career Center Compensation Payments") at the same rate and under the same terms as the City shall pay the School District Compensation Payments to the School District under the Revenue Sharing Agreement.

**SEC. 7:** This Council further hereby authorizes and directs the Mayor, the Director of Finance, the Director of Law, the Clerk of Council or other appropriate officers of the City to sign and execute all documents and make such arrangements as are necessary and proper for (i) collection of the Service Payments to be deposited in the Fund, (ii) carrying out the provisions of the Revenue Sharing Agreement and (iii) carrying out the provisions of this Ordinance.

**SEC. 9:** In accordance with Section 5709.832 of the Revised Code, this Council hereby determines that the Developer, its successors or assigns in interest to the property tax



exemption authorized herein, shall not deny employment to any individual based solely on race, religion, sex, disability, color, national origin, or ancestry.

**SEC. 10:** Pursuant to Section 5709.40(I) of the Revised Code, the Clerk of Council is hereby directed to deliver or cause to be delivered a copy of this Ordinance to the Director of the Ohio Development Services Agency (the "Director") within 15 days after its passage. On or before March 31 of each year that the exemption set forth in Section 2 remains in effect, the Mayor, the Director of Finance, the Economic Development Director or other authorized officer of this City shall prepare and submit to the Director the status report required under Section 5709.40(I).

**SEC. 11:** This Council finds and determines that all formal actions of this Council and of any of its committees concerning and relating to the passage of this Ordinance were taken, and that all deliberations of this Council and of any committees that resulted in those formal actions were held, in meetings open to the public in compliance with the law.

**SEC. 12:** This Ordinance shall be in full force and effect at the earliest period allowed by law.

**PASSED:** October 10, 2017      **SIGNED:** James A. Shields  
President of Council Pro-Tem

**ATTEST:** Kathy Patton      **APPROVED:** October 10, 2017  
Clerk of Council

**SIGNED:** John M. Coyne, III  
Acting Mayor

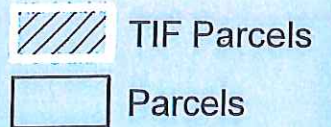
**EXHIBIT A**

**TIF SITE**



W FRIENDSHIP ST

## Legend



### TIF PARCEL NUMBERS:

028-19A-21-070  
028-19A-21-071  
028-19A-21-072  
028-19A-21-376  
028-19A-21-083  
028-19A-21-084  
028-19A-21-085  
028-19A-21-361  
028-19A-21-201  
028-19A-21-202  
028-19A-21-203  
028-19A-21-204  
028-19A-21-205  
028-19A-21-206  
028-19A-21-207  
028-19A-21-208  
028-19A-21-353  
028-19A-21-355  
028-19A-21-356

N COURT ST

W LIBERTY ST

S COURT ST

W WASHINGTON ST

N ELMWOOD AVE

S ELMWOOD AVE

1 inch = 100 feet





## **EXHIBIT B**

### **DESCRIPTION OF THE IMPROVEMENTS**

The Public Infrastructure Improvements consist of the following, including, in each instance, the acquisition of interests in real estate and demolition and remediation related thereto:

- Construction of or improvements to public streets, utilities, pedestrian access and public facilities or improvements in and around the TIF Site or directly benefiting or serving the TIF Site, including off-street parking lots, facilities, or buildings, or on-street parking facilities, or any combination of off-street and on-street parking facilities and related equipment.
- Land acquisition of, environmental remediation of and demolition on the TIF Site, each within the meaning of “public infrastructure improvement” as defined in Section 5709.40(A)(7) of the Revised Code.
- The construction and provision of water and sewer lines, storm water and flood remediation, and the provision of gas, electric, and communication service facilities for or related to the TIF Site, adjoining territory and other nearby areas.



**EXHIBIT C**  
**REVENUE SHARING AGREEMENT**

## REVENUE SHARING AGREEMENT

This REVENUE SHARING AGREEMENT (the "Agreement") is made and entered into as of Oct. 10, 2017, by and between the CITY OF MEDINA, OHIO (the "City"), a municipal corporation organized and existing under the constitution and the laws of the State of Ohio with its principal offices at Medina City Hall, 132 North Elmwood Avenue, Medina, Ohio 44256, and the MEDINA CITY SCHOOL DISTRICT (the "School District"), a school district with its principal offices located at 739 Weymouth Road, Medina, Ohio 44256.

### RECITALS:

WHEREAS, the City, under the authority of Section 5709.40 of the Ohio Revised Code, passed Ordinance No. 146-17 (the "Ordinance") on October 10, 2017, and therein designated the area depicted on Exhibit A (the "TIF Site", with the parcels comprising the real property within the TIF Site referred to herein as the "Parcels" and, each individually as a "Parcel"); and

WHEREAS, the City expects that the owners of the Parcels shall make or cause to be made improvements (each improvement having the meaning as set forth in Section 5709.40 of the Ohio Revised Code and collectively referred to herein as the "Improvements") to the TIF Site; and

WHEREAS, the City expects to make the public infrastructure improvements (as described in the Ordinance and referred to herein as the "Infrastructure Improvements"), that once made would directly benefit the Parcels; and

WHEREAS, the City and the School District will derive substantial and significant benefits from the Improvements and the Infrastructure Improvements; and

WHEREAS, prior to the passage of the Ordinance, the Board of the School District adopted a resolution granting its approval of this Agreement and the exemption of the real property taxes on the Improvements as provided in the Ordinance and waived any further requirements of Sections 5709.40, 5709.82 and 5709.83 of the Ohio Revised Code on the condition that the City execute and deliver this Agreement; and

WHEREAS, to facilitate the construction of the Improvements and to compensate the School District for the tax revenue that the School District would have received had the Parcels been improved and not been exempted from taxation, the City and the School District have determined to enter into this Agreement, which Agreement is in the vital and best interest of the City and the School District and will improve the health, safety and welfare of the citizens of the City and the School District.

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



Section 1. City Payments to School District. As consideration for the School District's approval of the Ordinance, agreement to waive the application of Section 5709.82 and other agreements herein, for so long an Improvement to any Parcel is exempt from taxation pursuant to the Ordinance, the City hereby agrees to make the following compensation payments to the School District:

The City shall make an annual compensation payment to the School District with respect to each Exemption Year in aggregate amount equal to (i) the Valuation for Compensation Payment for that Exemption Year multiplied by (ii) the Effective Millage Rate for that Exemption Year multiplied by (iii) 50%. The City will transmit the payments described in this Section 1 to the School District in two semi-annual installments and within thirty (30) days after receipt of Service Payments from the Medina County Treasurer with respect to the Parcels. The City's obligation to make compensation payments to the School District under this Section 1 shall be limited solely to the Service Payments received by the City with respect to the Parcels.

The City shall provide to the School District an annual accounting of the receipts, disbursements and fund balances of the Fund for each Exemption Year no later than March 31<sup>st</sup> following such Exemption Year.

As used in this Section 1 , the following terms shall have the following meanings:

"Effective Millage Rate" means, for each Exemption Year, the effective millage rate of all real property tax levies levied by the School District on the Parcel.

"Exemption Year" means each tax year in which Improvements to any Parcel is exempt from taxation pursuant to the Ordinance.

"Fund" means such term as defined in the Ordinance.

"Service Payments" means such term as defined in the Ordinance.

"Valuation for Compensation Payment" means the valuation of the Improvements to the Parcel as determined by the Medina County Auditor to be exempt from real property taxation under the Ordinance. The valuation for Improvements shall be the fair market valuation of the Improvements to any Parcel as determined by the Medina County Auditor multiplied by 35%.

Section 2. Ohio Revised Code Section 5709.82; No Other Compensation. As consideration for the City's agreement to make the payments provided for herein, the School District agrees that the City's exemption of the real property taxes on the Improvements and the City's tax increment financing, authorized by Sections 5709.40, 5709.42 and 5705.43 of the Ohio Revised Code and with the terms provided for in the Ordinance as approved by the School District in its resolution adopted September 18, 2017, are not subject to the provisions of Section 5709.82 of the Ohio Revised Code, and the School District hereby waives any right to compensation pursuant to Section 5709.82 of the Ohio Revised Code in connection with the exemptions provided for in the Ordinance except as provided for herein.

Section 3. Term of Exemption. Pursuant to Section 2 of the Ordinance, the City declared 100% of the Improvements to be a public purpose and exempt for taxation during the

Exemption Period (as defined in the Ordinance). As provided in Section 4 of the Ordinance, the City hereby agrees that the Exemption Period shall terminate upon the earlier of (i) 30 years or (ii) repayment in full of the City Loan (as defined in the Ordinance) The City hereby agrees that it shall take no action to extend the Exemption Period without prior written approval of the School District, which approval shall be evidenced by a written amendment to this Agreement authorized by a resolution of the Board of the School District and signed by the City and the School District.

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

Section 5. Entire Agreement; Waiver of Notice. This Agreement sets forth the entire agreement and understanding between the parties as to the subject matter hereof and merges and supersedes all prior discussions, agreements, and undertakings of every kind and nature between the parties with respect to the subject matter of this Agreement. The School District hereby waives any and all notices of the Ordinance, or the exemption from taxation provided for in the Ordinance, required by or pursuant to Ohio Revised Code Sections 5709.40, 5709.83 or 5715.27.

Section 6. Notices. All payments, certificates and notices which are required to or may be given pursuant to the provisions of this Agreement shall be sent by the United States ordinary mail, postage prepaid, and shall be deemed to have been given or delivered when so mailed to the following addresses:

If to the City:                      City of Medina  
Medina City Hall  
132 North Elmwood Avenue  
Medina, Ohio 44256  
Attention: Mayor

If to the School District:        Medina City School District  
739 Weymouth Road  
Medina, Ohio 44256  
Attention: Treasurer

Either party may change its address for receiving notices and reports by giving written notice of such change to the other party.

Section 7. 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 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 with the City and of each such officer, employee or body having authority to perform that duty, specifically and enjoined by law resulting from an office, trust or station within the meaning of Section 2731.01, Revised Code, 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 of the parties in their individual capacity.

Section 8. Severability of Provisions. This invalidity of any provision of this Agreement shall not affect the other provisions of this Agreement, and this Agreement shall be construed in all respects as if any invalid portions were omitted.

Section 9. 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.

IN WITNESS WHEREOF, the City and the School District have caused this Revenue Sharing Agreement to be executed in their respective names by their duly authorized officers as of the date hereinabove written.

**CITY OF MEDINA, OHIO**

By: \_\_\_\_\_

~~Dennis Hanwell, Mayor~~

*John M. Coyne, Acting Mayor*

Approved as to Form:

*Greg Huber*

Gregory Huber, Director of Law

**MEDINA CITY SCHOOL DISTRICT**

By: \_\_\_\_\_

Superintendent

By: \_\_\_\_\_

Treasurer

By: \_\_\_\_\_

President, Board of Education



**NOTICE OF INTENT TO ADOPT ORDINANCE  
EXEMPTING CERTAIN IMPROVEMENTS FROM REAL PROPERTY TAXATION**

**Via Hand Delivery**

**Date:** Sept. 22, 2017

**To: Medina County Career Center  
Attn: Steven Chrisman, Superintendent  
1101 W. Liberty Street  
Medina, Ohio 44256**

**Re: Notice of Intent to Adopt an Ordinance Pursuant to Section 5709.40 of the Revised Code**

Pursuant to Section 5709.83 of the Revised Code (the "Revised Code"), the City of Medina, Ohio (the "City") is hereby providing notice to the Medina County Career Center (the "Career Center") that the City Council of the City intends to consider passage of an ordinance (the "TIF Ordinance") pursuant to Section 5709.40 of the Revised Code that will exempt from real property taxation certain improvements (the "Improvements") constructed upon certain real property located in the City and designated in the TIF Ordinance.

Improvements, including the Improvements, are defined in Section 5709.40 of the Revised Code to be the increase in the assessed value of any real property that would first appear on the tax list and duplicate of real and public utility property after the effective date of an ordinance adopted under this section were it not for the exemption granted by that ordinance. The TIF Ordinance will declare the Improvements to be a public purpose and will exempt 100% of the Improvements from real property taxation for a period of up to 30 years. A copy of the proposed form of the TIF Ordinance is attached hereto as Exhibit A. The City Council plans to consider and may pass the TIF Ordinance at its meeting to be held as early as October 10, 2017. It is contemplated that the TIF Ordinance will be effective immediately upon such passage. Please note that the City has entered into a Revenue Sharing Agreement with the Board of Education of the Medina City School District (the "School District") in connection with the TIF Ordinance. Under Section 6 of the TIF Ordinance, and in accordance with Section 5709.40(D) of the Revised Code, the City will pay to the Career Center compensation payments from the TIF Fund (as defined in the TIF Ordinance) at the same rate and under the same terms that the City is paying compensation payments to the School District under the Revenue Sharing Agreement.

Any comments you may have concerning the proposed TIF Ordinance should be made to Kimberly Marshall, Economic Development Director of the City at (330) 764-3319 prior to that meeting. Please let the undersigned know if additional information is required. Your cooperation in connection with this mutually beneficial project for the community is much appreciated.

CITY OF MEDINA, OHIO

By: Kathy Patton  
Kathy Patton, Clerk of Council

Receipt of Notice acknowledged:

MEDINA COUNTY CAREER CENTER

By: Steve J. Chaisma  
Name: Steve J. Chaisma  
Title: Superintendent  
Date: 9-22-17

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**City of Medina, Ohio**  
**TIF Ordinance and Downtown Economic Development Plan**  
**Executive Summary**  
**October 3, 2017**

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The City of Medina, Ohio (the “City”) has introduced a Tax Increment Financing (TIF) Ordinance to City Council. The purpose of this Executive Summary is to summarize the key components of the TIF Ordinance and summarize the draft TIF Feasibility Analysis prepared by Umbaugh.

**TIF Ordinance**

The TIF Ordinance identifies certain downtown parcels that are likely to redevelop in the future. The ordinance exempts the identified parcels from real property taxes and creates a payment in lieu of taxes (PILOT) to be paid by the individual parcel owners of the identified properties. PILOT payments are to be paid and collected on the increased taxable value of the exempted properties in the same amount and manner as real property taxes. PILOT payments will remain in place for a term of 30 years, unless earlier terminated. The PILOT payments will be paid by the owners of the exempted property to the County Treasurer of Medina County (the “County”). Once collected, the County will transfer the PILOT payments to the City semiannually and the City will deposit the County payments (the “Service Payments”) in the Downtown Redevelopment Municipal Tax Increment Equivalent Fund. The Service Payments received by the City will be used by the City to fund certain public improvements including funding the cost and reimbursement of costs related to a downtown parking facility and to pay certain payments to the Medina City School District and Medina County Career Center as described below.

Creating the TIF requires the City to enter into a Revenue Sharing Agreement (the “Agreement”) with the Medina City School District (the “District”) which obligates the City to send the District a portion of the Service Payments it receives each year the TIF is in place. The Agreement requires the City to send the Schools 50% of what the School District would have received in real property taxes had no TIF been created. The District approved the Revenue Sharing Agreement on September 18, 2017. The City is also required to send notice of intent to adopt a TIF ordinance to the Medina County Career Center (the “Career Center”) which was sent on September 22, 2017. The City is also required to send the Career Center 50% of what the Career Center would have received in real property taxes had no TIF been created.

Tax Increment Financing is a common tool used throughout Ohio for economic development purposes. The State of Ohio Development Services Agency currently monitors over 1,200 active TIF areas throughout the State of Ohio. Active TIF areas in Medina County are located in the City of Wadsworth and York Township.

**Development Plan**

In 2014 the City completed and approved the Downtown Strategic Re-Development Plan (the “Plan”). The Plan evaluated current and future development potential for various market segments in the downtown area and developed a strategy with a focus on targeted redevelopment sites. The Plan called for a housing study which identified demand for 428 housing rental units and noted attractive development sites for diverse market options including residential, retail and hotel. The development concepts in the Plan were derived from both market research and public input. Priority development areas include the former Chamber of Commerce site and the North Liberty area is a supplement to the original Plan.

To date, the Plan has been used to secure a \$300,000 Downtown Revitalization Grant for façade renovations and building code upgrades which impacted 13 specific downtown properties. In 2016 the City applied for and received \$1MM Capital Bill Funding grant from the State of Ohio to pay a portion of the cost of a Historic District Parking Facility (the “Parking Facility”) to support City Hall, Municipal Court, year round artistic, cultural and family events, as well as downtown businesses.



The City currently plans for the construction of a new approximately 208 space Parking Facility to provide additional parking downtown and capacity for future development projects.

The estimated cost of the downtown Parking Facility is \$3,536,000. The garage is expected to be funded by a \$1,000,000 capital grant from the State of Ohio and a cash contribution from the City of Medina in the amount of \$2,536,000 from the City's capital fund.

The City anticipates using the Service Payments it receives from the TIF (after making payments to the School District and Career Center) to reimburse itself for the costs of constructing the Parking Facility.

#### **TIF Feasibility Study**

The City Economic Development Department has retained H.J. Umbaugh & Associates, Certified Public Accountants, LLP to prepare a TIF Feasibility Study (the "Study") to examine various development scenarios to estimate annual assessed values and related Service Payment revenue under various conditions. The Study notes that multiple assumptions were made as noted regarding certain future events. As is the case with such assumptions regarding future events and transactions, some or all may not occur as expected and the resulting differences could be material. Umbaugh has not examined the underlying assumptions nor have they audited or reviewed the development data or information provided by the City.

The Study inventories the expected capital plan and proposed funding for the Parking Facility, real property tax rates for the taxing district that includes the City of Medina and Medina City School District and the proposed tax parcels to be included in the TIF area. The proposed TIF area includes nineteen (19) parcels with a current market value of \$3,197,380.00 and current tax collection of approximately \$36,501.89. The portion of current tax collections that are allocated to the School District are approximately \$27,120.91 per year. The tax collections that are currently paid to the City and School District are not expected to change after the City approves the TIF Ordinance.

The amount of future Service Payments available to the City is driven by new construction values and the corresponding incremental taxes that are collected and paid to the City as Service Payments. At this point in the development process all development and new construction is illustrative and contingent upon many factors outside the City's control. The Study outlines five (5) development scenarios to estimate a range of potential Service Payment that may be available to the City for purposes of reimbursement of project costs related to the construction of the downtown Parking Facility. The scenarios are summarized below. As noted in the Study, all values are estimated, preliminary and subject to change.

#### **Scenario 1 – North Liberty Development Project**

Raymond Building Total Estimated Market Value \$1,602,500  
Illustrative Construction Start Year 2018  
Newland Development Total Estimated Market Value \$3,165,000  
Illustrative Construction State Year 2019  
Total North Liberty Development Project Total Estimated Market Value \$4,767,500  
Estimated Base Market Value \$474,380  
Estimated Incremental Market Value \$4,293,120  
Net Annual Service Payments to School District upon stabilization \$37,580  
Net Annual Service Payments to City upon stabilization \$61,970  
Cumulative Annual Service Payments to City over 30 years \$1,813,420

#### **Scenario 2 – South Liberty Development Project**

Newland Development #2 Building Total Estimated Market Value \$11,460,000  
Illustrative Construction Start Date 2020  
Estimated Base Market Value \$1,997,880  
Estimated Incremental Market Value \$9,463,120  
Net Annual Service Payments to School District upon stabilization \$82,840



Net Annual Service Payments to City upon stabilization \$136,610  
Cumulative Annual Service Payments to City over 30 years \$4,155,940  
Illustrative full City reimbursement year 2040

**Scenario 3 - \$5,000,000 of Incremental Value**

Estimated Incremental Market Value \$5,000,000  
Illustrative Construction Start Date 2021  
Net Annual Service Payments to School District upon stabilization \$43,770  
Net Annual Service Payments to City upon stabilization \$72,180  
Cumulative Annual Service Payments to City over 30 years \$2,165,400

**Scenario 4 - \$10,000,000 of Incremental Value**

Estimated Incremental Market Value \$10,000,000  
Illustrative Construction Start Date 2021  
Net Annual Service Payments to School District upon stabilization \$87,540  
Net Annual Service Payments to City upon stabilization \$144,360  
Cumulative Annual Service Payments to City over 30 years \$4,330,800  
Illustrative full City reimbursement year 2038

**Scenario 5 - \$15,000,000 of Incremental Value**

Estimated Incremental Market Value \$15,000,000  
Illustrative Construction Start Date 2021  
Net Annual Service Payments to School District upon stabilization \$131,310  
Net Annual Service Payments to City upon stabilization \$216,530  
Cumulative Annual Service Payments to City over 30 years \$6,495,900  
Illustrative full City reimbursement year 2032

**General Risks of Tax Increment Financing (TIF)**

There are certain risks associated with the Tax Increment Financing estimates such as, but not limited to, the following: (i) construction risk, development risk, financing and valuation risk associated with the timing, buildout and valuation of new development projects; (ii) destruction of property in the TIF area caused by natural or manmade disaster; (iii) delinquent taxes or adjustments of or appeals on assessments by property owners in the TIF area; (iv) a decrease in the assessed value of properties in the TIF area due to increases in depreciation, obsolescence or other factors by the County Auditor; (v) acquisition of property in the TIF area by a tax-exempt entity; (vi) removal or demolition of real property improvements by property owners in the TIF area; (vii) delayed billing, collection, or distribution of Service Payments by the County Auditor; (viii) a decrease in property tax rates; (ix) an inability to neutralize the effect of reassessment or appeals of valuations; (x) State or local administrative agencies with jurisdiction in the matter to enact new laws or regulations or interpret, amend, alter, change or modify the laws or regulations governing the calculation, collection, definition or distribution of Service Payments including laws or regulations relating to reappraisal or a revision in the property tax system; could adversely affect Service Payments. Any such changes could cause the Service Payments to fall below the estimates provided in this summary or the related report.

This summary and related Study constitute "forward-looking" statements within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended, and as such may involve known and unknown risks, uncertainties, and other factors which may cause the actual results, performance, and achievements to be different from the future results, performance, or achievements expressed or implied by such forward-looking statements. Users of this report are cautioned that the actual results could differ materially from those set forth in forward-looking statements.