

RESOLUTION NO. 57-2007

Offered by All of Council

A RESOLUTION AUTHORIZING THE MAYOR AND THE FINANCE DIRECTOR TO ENTER INTO A COMPENSATION AGREEMENT WITH THE REVERE LOCAL SCHOOL DISTRICT FOR THE DENTAL CERAMICS BUILDING LOCATED AT PERMANENT PARCEL NOS. 5001535 AND 5001533

WHEREAS, the Council of the Village of Richfield is considering Ordinance No. 56-2007 entitled "An Ordinance Declaring Improvements To Certain Property In The Village To Be A Public Purpose, Describing The Public Infrastructure Improvement To Benefit The Property, Exempting Such Improvements To The Property From Real Property Taxation, Authorizing The Execution Of Such Other Documents As May Be Necessary, And Establishing A Tax Increment Equivalent Fund For the Deposit Of Such Service Payments And Related Authorizations Pursuant To Ohio Revised Code Sections 5709.40, 5709.42 And 5709.43 And Declaring An Emergency," for Dental Ceramics; and

WHEREAS, the Mayor and the Finance Director have proposed a Compensation Agreement with the Revere Local School District.

NOW, THEREFORE, BE IT RESOLVED by the Council of the Village of Richfield, Summit County, State of Ohio:

SECTION 1. That the Mayor and the Finance Director be, and they hereby are, authorized and directed to enter into a Compensation Agreement with the Revere Local School District, a copy of which Agreement is attached hereto as Exhibit "A" and incorporated herein fully as if by reference.

SECTION 2. This Resolution shall take effect and be in force from and after the earliest period allowed by law.

PASSED: 2/19/08

[Signature]
President of Council

[Signature]
Mayor

Dated: 2/19/08

ATTEST:
[Signature]
Clerk of Council

COMPENSATION AGREEMENT

THIS COMPENSATION AGREEMENT (the "Agreement") is made and entered into this ____ day of _____, 2007, by and between the Village of Richfield, Ohio (the "Village") and the Revere Local School District (the "School District").

WITNESSETH:

WHEREAS, pursuant to Sections 5709.40, 5709.42 and 5709.43 of the Ohio Revised Code, the City has proposed to exempt from real property taxation 100% of the increase in the assessed value ("Improvement") of certain property whose permanent parcel numbers are attached hereto as **Exhibit A** and incorporated herein ("Property") for a period of thirty (30) years, as further described in Ordinance No. 56-2007, passed on _____, 2007 by the Village Council, a copy of which Ordinance is attached hereto (jointly, the "TIF Ordinance"); and

WHEREAS, it is expected that the Property will be developed into office uses known as the Dental Ceramics Property having the Permanent Parcel Numbers 5001535 and 5001533 and located at 3404 and 3414 Brecksville Road (the "Project"); and

WHEREAS, pursuant to Ohio Revised Code Section 5709.82, the Village may agree to compensate the School District for any loss of property tax revenue resulting from that real property tax exemption; and

WHEREAS, representatives of the Village and the School District have negotiated this Agreement in order to compensate the School District for such loss of property tax revenue resulting from the real property tax exemption of the Property; and

WHEREAS, the Village and the School District have determined that this Agreement is in the vital and best interest of the Village and the School District and will improve the health, safety and welfare of the people of the Village and the School District.

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

Section 1. Amount of Village Payments. During the years in which the School District would have received real property tax payments derived from the Improvement but for the real property exemption approved in the TIF Ordinance, the Village hereby agrees to pay the School District on or before March 31 of each of those years an amount equal to 70.343% of the amount of service payments in lieu of taxes, together with any rollback payments applicable to the School District, received by the Village for the preceding tax year for the Improvement.

The Village further agrees to pay the School District annually on [date] one hundred percent (100%) of the amount of any service payment in lieu of taxes and any related rollback payments received by the Village attributable to any new property tax levies approved by the voters of the School District after the date of this Agreement (not including any renewal or replacement levies) that, but for the real property tax exemption provided for in the TIF

Ordinance, would have been received by the School District with respect to the Improvement. The payments required by this paragraph may be reduced to the extent the School District repeals an existing levy or an existing levy expires and in both cases, such levy is not replaced or renewed.

In no event shall the aggregate of the payments to the School District under this Section with respect to any one year exceed the amount of real property tax revenues and any related rollback payments the School District would have otherwise derived from the Improvement for that year, but for the real property tax exemption related to the Improvement provided for in the TIF Ordinance.

Section 2. Payments in Lieu of Taxes; Cooperative Agreement. The Village agrees that it will use the service payments in lieu of taxes it receives as a result of the real property tax exemption provided for in the TIF Ordinance consistent with the provision of section 5 of the TIF Ordinance and this Agreement.

Section 3. Review of Records. The School District may from time to time, with reasonable advance notice, review the records of the Village relating to the municipal income taxes or other taxes it derives from the Property, in each case to the extent such information may be made available to the School District without violating applicable laws, including laws relating to confidentiality of municipal income tax information. During the years the real property tax exemption provided for in the TIF Ordinance remains in effect, the Village shall submit annually to the School District a copy of any status report required to be filed under Section 5709.40 of the Ohio Revised Code promptly following that filing.

Section 4. School District Approval and Agreement. In consideration of the covenants and provisions of the Village contained herein, the School District hereby approves the TIF Ordinance and the real property exemption in the amount of 100% for thirty (30) years for the Property provided for therein and agrees it will not receive any municipal income tax payments from the Village under Section 5709.82 of the Ohio Revised Code with respect to the Property except as provided herein. The School District further acknowledges and agrees that it has received sufficient notice of the proposed passage of the TIF Ordinance and the exemption provided for therein and waives the right to any further notice thereunder as may be required pursuant to Ohio Revised Code Sections 5709.40 or 5709.83 with respect to the TIF Ordinance. It is understood by the parties hereto that the School District has not approved nor been requested to approve any amendments to the TIF Ordinance.

Section 5. Amendment. This Agreement may be amended or modified by the parties only in writing, signed by both parties to the Agreement.

Section 6. Entire Agreement. 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.

Section 7. 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 8. 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 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 Village:	Village of Richfield 4410 West Streetsboro Road P. O. Box 387 Richfield, Ohio 44286-0387 Attention: Mayor
with a copy to:	Charles T. Riehl, Esq. Walter & Haverfield LLP The Tower at Erieview 1301 East Ninth Street, Suite 3500 Cleveland, Ohio 44114-1821
If to the School District:	Revere Local School District _____ _____ Attention: Superintendent and Treasurer

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

Section 9. Severability of Provisions. The 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 provisions were omitted.

Section 10. 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.

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IN WITNESS WHEREOF, each of the parties has caused this Agreement to be executed by its duly authorized representatives as of the date first written above.

VILLAGE OF RICHFIELD, OHIO

REVERE LOCAL SCHOOL DISTRICT

By: _____
Michael K. Lyons, Mayor

By: _____
Superintendent of Schools

By: _____
Eleanor Lukovics, Finance Director

By: _____
Treasurer of the Board of Education

Approved as to form and correctness:

Charles T. Riehl, Law Director
Village of Richfield, Ohio