

ORDINANCE NO. 2018-15

AN ORDINANCE AUTHORIZING THE CITY MANAGER TO ENTER INTO AN INCENTIVE AGREEMENT BY AND BETWEEN THE CITY OF MONROE AND THE BOARD OF EDUCATION OF THE MONROE LOCAL SCHOOL DISTRICT RELATED TO THE CONSTRUCTION OF AN 827,000 SQUARE FOOT BUILDING BY PROLOGIS LOGISTICS SERVICES INCORPORATED.

WHEREAS, ProLogis Logistics Services Incorporated intends to construct a new "spec" building of approximately 827,000 square feet; and

WHEREAS, the building will be located in a Community Reinvestment Area that will provide certain economic incentives.

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF MONROE, STATE OF OHIO, THAT:

SECTION 1: The City Manager is authorized to enter into an Incentive Agreement by and between the City of Monroe and the Board of Education of the Monroe Local School District pursuant to the terms and conditions set forth on Exhibit "A" attached hereto and made a part hereof.

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

PASSED: August 14, 2018

ATTEST:



Clerk of Council

APPROVED:



Mayor

First Reading: July 24, 2018

"I, the undersigned Clerk of Council of the city of Monroe, Ohio, hereby certify the foregoing (ordinance or resolution) was published as required by Section 7.16 of the Charter of the City of Monroe.

This legislation was enacted in an open meeting pursuant to the terms and provisions of the Sunshine Law, Section 121.22 of the Ohio Revised Code.



Clerk of Council
City of Monroe, Ohio

Exhibit "A" Ord No. 2018-15

INCENTIVE AGREEMENT

This Incentive Agreement (this "Agreement") is made and entered into as of [_____], 2018, by and between the **CITY OF MONROE, OHIO** (the "City"), and the **BOARD OF EDUCATION OF THE MONROE LOCAL SCHOOL DISTRICT** (the "School District"), a public school district organized and existing under the laws of the State of Ohio (the "State") with its main offices located at 500 Yankee Road, Monroe, Ohio 45050.

WITNESSETH:

WHEREAS, ProLogis Logistics Services Incorporated (the "Developer") intends to construct a new "spec" building of approximately 827,000 square feet (the "Property") to be used for the marketing, manufacturing, warehouse or distribution operations of one or more users (the "Project") to be located on real property (the "Project Site") within the School District, provided that certain economic development incentives are granted to support the construction of the Project; and

WHEREAS, the Project will be located within an area designated as a Community Reinvestment Area ("CRA") pursuant to Ohio Revised Code ("Revised Code") Section 3735.66; and

WHEREAS, the City, as an incentive for the Developer to construct the Project at the Project Site, pursuant to Revised Code Sections 3735.65 through 3735.70 and 5709.82, has proposed to enter into a CRA agreement (the "CRA Agreement") with the Developer, granting a ten (10) year, 50% real property tax exemption for any increase in assessed value to the Property attributable to the Project (the "CRA Exemption"); and

WHEREAS, to ensure that the School District will benefit from the Project, the Developer has agreed, through a separate agreement (the "Partnership Agreement"), while the CRA Exemption is in effect, to make certain payments to the School District; and

WHEREAS, in recognition of the Developer's payments to the School District under the terms of the Partnership Agreement, the School District has agreed that such payments shall be in lieu of any income tax revenue sharing under Revised Code Section 5709.82; and

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

Section 1. The School District hereby agrees that, upon execution of the Partnership Agreement, and in consideration for the City's requirement that the Developer enter into the Partnership Agreement with the School District, the School District is not and will not be entitled to any income tax revenue sharing under Revised Code Section 5709.82 for the term of the CRA Agreement. Upon execution of the Partnership Agreement, the School District shall have waived any right to income tax revenue sharing under Revised Code Section 5709.82 for the Project.

Section 2. This Agreement shall commence on the effective date of [] and inure to the benefit of and shall be binding in accordance with its terms upon the School District and the City and their respective permitted successors and assigns.

Section 3. This Agreement is executed pursuant to Revised Code Sections 3735.671, 5709.82 and 5715.27. The waiver provided in this Agreement relates solely to the exemption under Revised Code Section 3735.671 related to the Project Site, as set forth in the CRA Agreement. This Agreement does not modify any existing agreements or exemptions related to the Project Site, including but not limited to any tax increment financing exemption with respect to the Project Site authorized by the City's Emergency Ordinance No. 2004-26; the Amended and Restated Tax Incentive Agreement between the parties dated April 29, 2013; or the Amended and Restated Tax Increment Financing District Revenue Sharing Agreement between the parties dated April 29, 2013. The parties acknowledge and agree that the School District is not and will not be entitled to any income tax revenue sharing under Revised Code Section 5709.82 as a result of the tax increment financing exemption with respect to the Project Site authorized by the City's Emergency Ordinance No. 2004-26. If the City does not enter into a CRA Agreement, then this Agreement shall be void and the parties shall be free from any obligations under it.

Section 4. The City agrees that should it receive a payment pursuant to Section 12 of its Community Reinvestment Area Agreement with the Developer (the "Clawback Payment"), it shall pay the School District an amount equal to the product of (1) the Clawback Payment, multiplied by the resulting percentage obtained by dividing the School District's commercial effective millage rate into the total commercial effective millage rate of the jurisdiction in which the Property is located (the "City Payment"). Except for the City Payment, the School District agrees that the compensation payments paid to the School District by the Developer, as set forth in the Partnership Agreement, shall be the sole payments due to the School District with respect to the CRA Exemption. The treatment of any and all such compensation payments provided in the Partnership Agreement fully addresses the rights, obligations and responsibilities of the parties. In the event that provisions of the Partnership Agreement conflict with this Agreement with regard to the treatment of any interest the School District has in income taxes generated by the Project under Revised Code Section 5709.82, this Agreement shall control.

Section 5. In consideration for the compensation to be provided under this Agreement, the School District hereby waives any notice requirements set forth in Revised Code Sections 3735.67, 5709.83 and 5715.27 with respect to the CRA Exemption and waives any defects or irregularities relating to the CRA Exemption.

Section 6. All 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 School District: Monroe Local School District
500 Yankee Road
Monroe, Ohio 45050
Attention: Treasurer

If to the City: City of Monroe
233 South Main Street
Monroe, OH 45050
Attention: Director, Department of Development

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

Section 7. This Agreement may be amended or modified by the parties only in writing, signed by both parties to the Agreement.

Section 8. 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 portions were omitted.

Section 9. 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 Agreement to be executed in their respective names by their duly authorized officers or representatives, as of the date hereinabove written.

CITY OF MONROE, OHIO

MONROE LOCAL SCHOOL DISTRICT

By: _____

By: _____

Treasurer

Name: _____

Title: _____

By: _____

President, Board of Education