

ORDINANCE NO. 2014-34

AN ORDINANCE AUTHORIZING THE CITY MANAGER TO ENTER INTO A FIRST AMENDMENT TO DEVELOPMENT AGREEMENT BY AND BETWEEN THE CITY OF MONROE AND PARK NORTH LAND, LLC.

WHEREAS, a Development Agreement ("Agreement") was entered into on July 31, 2007 related to the development of real property, which included a Community Reinvestment Area; and

WHEREAS, the original developer of the Agreement was the subject of foreclosure proceedings resulting in the purchase of the real property by Park North Land, LLC; and

WHEREAS, due to the delay in development of the real property caused by the foreclosure proceedings, Council desires to extend certain payroll and square footage requirement deadlines set forth in the Agreement.

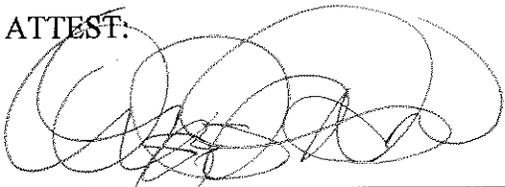
NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF MONROE, STATE OF OHIO, THAT:

SECTION 1: The City Manager is hereby authorized to enter into a First Amendment to Development Agreement by and between the City of Monroe and Park North Land, LLC 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: October 14, 2014

ATTEST:



Clerk of Council

APPROVED:



Mayor

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.

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



Clerk of Council
City of Monroe, Ohio

FIRST AMENDMENT TO DEVELOPMENT AGREEMENT

THIS FIRST AMENDMENT TO DEVELOPMENT AGREEMENT (this "Amendment") is effective as of the _____ day of _____, 2014, by and between the **CITY OF MONROE**, an Ohio municipal corporation having an address for purposes hereof at 233 South Main Street, Monroe, Ohio 45050 (the "City"), and **PARK NORTH LAND, LLC**, a Delaware limited liability company registered in having an address for purposes hereof at 740 Centre View Boulevard, Crestview Hills, Kentucky 41017 (the "Successor Developer"), successor in interest to **VH MONROE, LLC**, an Ohio limited liability company (the "Original Developer").

RECITALS

A. The City and the Original Developer entered into a Development Agreement dated as of July 31, 2007 (the "Development Agreement") to develop the Project Site, pursuant to which the City (i) created a Community Reinvestment Area ("CRA") which includes the Project Site and (ii) granted a 15-year, 100% real property tax exemption for the Project (the "CRA Exemption"). Capitalized terms used in this Amendment which are defined in the Development Agreement and not otherwise defined in this Amendment have the meanings given in the Development Agreement.

B. Section 2(b) of the Development Agreement requires that, to maintain the CRA Exemption, the Original Developer is required to meet certain threshold levels of payroll and square footage requirements related to the continued anticipated growth of the Project.

C. The Original Developer's lender for the Project Site subsequently instituted foreclosure proceedings against the Original Developer, resulting in the purchase of the Project Site on September 18, 2012, by the Successor Developer.

D. Due to the delay in development of the Project Site caused by the foreclosure proceedings and to allow the Successor Developer to accomplish the goals of the Development Agreement, the City now desires to extend certain payroll and square footage requirement deadlines contained in the Development Agreement.

NOW, THEREFORE, the parties hereby agree as follows:

1. Section 2(b) of the Development Agreement is amended to read as follows:

(b) During the term of the Agreement:

(i) By the end of the eighth (8th) year following the City's acceptance and recording of the final plat for phase one of the Project and the dedication of the Public Infrastructure associated with phase one, there shall have been created not less than \$22.5 million of annualized payroll with respect to businesses located on the Project Site. If the above payroll

target is not met (as determined based on the Form W-3 for such year for each employer within Project Site, which is normally available by April 30 of the succeeding year), then the CRA exemption for buildings not yet constructed shall be terminated unless the Developer pays to the City, within sixty (60) days following notice by the City, accompanied by supporting documentation, that the payroll target has not been met, an amount equal to twice the difference between the annual City payroll taxes (based on a 1½% payroll tax) that would be payable with respect to \$22.5 million of payroll and the actual payroll taxes paid in that year with respect to businesses located on the Project Site;

(ii) By the end of the tenth (10th) year following the City's acceptance and recording of the final plat for phase one of the Project and the dedication of the Public Infrastructure associated with phase one, there shall have been constructed at least 4.2 million square feet of space and there shall have been created not less than \$32.5 million of annualized payroll with respect to businesses located on the Project Site. If the above square footage and payroll targets are not met (with respect to the payroll target, as determined based on the Form W-3 for such year for each employer within Project Site, which is normally available by April 30 of the succeeding year), then the CRA exemption for buildings not yet constructed shall be terminated unless the City and the Developer reach a written agreement to continue the CRA exemption. If the above square footage and payroll targets are met, then the full benefit of the CRA exemption shall be available for any building constructed on the Project Site before the end of the twelfth (12th) year following the City's acceptance and recording of the final plat for phase one of the Project and the dedication of the Public Infrastructure associated with phase one.

For purposes of calculating whether the Project has met the payroll targets described above: (a) the annual payroll created by each employer within the Project Site shall be computed individually and the sum of all individual calculations shall be the "Annual Created Payroll of the Project;" and (b) payroll created by an employer that has relocated to the Project Site from another location in the City shall not be considered unless the City determines that the circumstances related to such employer's relocation to the Project Site warrant the inclusion of such payroll in the calculation. Each employer's annual payroll will be allocated based on its Form W-3 for the tax year that includes year 6, year 8 and year 10 as specified above.

The allocation formula shall be as follows:

Form W-3, Line 15 (Monroe Qualifying Wages) divided by the total months submitted (Lines 1 through 12) multiplied by 12.

2. All other terms and conditions set forth in the Development Agreement not explicitly amended by this Amendment will remain in full force and effect.

This Amendment is executed by the parties effective as of the _____ day of _____, 2014.

CITY OF MONROE, OHIO

By: _____
William J. Brock, P.E.
City Manager

PARK NORTH LAND, LLC

By: _____
Name: _____
Title: _____

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