



OLENTANGY ADMINISTRATIVE OFFICES

7840 Graphics Way

Lewis Center, OH 43035

August 13, 2018

VIA CERTIFIED MAIL, RETURN RECEIPT REQUESTED

Office of the City Clerk
Columbus City Council
90 West Broad Street
Columbus, OH 43215-9015

**Re: Certification of Conditional Approval pursuant to R.C. 5709.40(D)(2)
Polaris III TIF**

Dear Clerk of Council:

Attached please find a copy of a full and complete copy of a Resolution enacted by the Board of Education of the Olentangy Local School District (the "School District") on August 9, 2018 approving of the tax increment financing ("TIF") district commonly known as the "Polaris III TIF" upon the condition that the Developer, the City and the School District enter into that certain Compensation Agreement, a full and complete copy of which is attached to the Resolution as Exhibit B. The Resolution constitutes the School District's certification of conditional approval of the TIF pursuant to R.C. 5709.40(D)(2). If you have any questions, please do not hesitate to contact me.

Sincerely,

Emily Hatfield, Treasurer/CFO

**BOARD OF EDUCATION
OLENTANGY LOCAL SCHOOL DISTRICT**

The Board of Education (the "Board") of the Olentangy Local School District, State of Ohio (the "School District"), met in regular session on August 9, 2018, at 6:00 pm, at the Olentangy Administrative Office, Berlin Conference Room, 7840 Graphics Way, Lewis Center, Ohio 43035, with the following members present:

Mindy Patrick, President
Kevin O'Brien, Vice President
Roger Bartz, Member
Julie Wagner Feasel, Member
Dave King, Member

Mr. Bartz introduced the following resolution and moved its passage:

A RESOLUTION APPROVING THE PASSAGE BY THE COUNCIL OF THE CITY OF COLUMBUS, OHIO OF A TAX INCREMENT FINANCING ORDINANCE AUTHORIZING A REAL PROPERTY EXEMPTION PURSUANT TO R.C. 5709.40(B) AND APPROVING THE PAYMENT OF A PORTION OF THE SERVICE PAYMENTS TO THE SCHOOL DISTRICT BY AND THROUGH THE COMPENSATION AGREEMENT.

WHEREAS, the City anticipates that the owners of certain real property located in the City (collectively, the "Property"), which Property is generally described on **EXHIBIT A**, attached hereto and incorporated herein, will develop the Property by constructing one or more mixed-use, commercial and multi-family developments and related improvements thereon; and

WHEREAS, the Property is located within the boundaries of the Olentangy Local School District (the "School District"); and

WHEREAS, in connection with the development of the Property, the Columbus City Council is expected to pass an ordinance pursuant to R.C. 5709.40(B), (the "TIF Ordinance"), which TIF Ordinance will declare 100% of the increase in assessed value of the Property (the "Improvement," as further defined in the TIF Ordinance) to be a public purpose and exempt from real property taxation for a period of 30 years (the "TIF Exemption"); and

WHEREAS, the School District is required to approve real property exemptions granted pursuant to R.C. 5709.40 of greater than 75% of the increase in assessed value of the Improvement and for a term of greater than 10 years; and

WHEREAS, the City expects that the Developer's efforts will improve the Property; and

WHEREAS, the Improvement and the resulting economic development will benefit the School District and provide additional transportation opportunities for the School District; and

WHEREAS, the TIF Ordinance will require the owners of the Property to make service payments in lieu of taxes ("Service Payments") equivalent in amount to the amount of real property taxes that would have been payable if the Improvement had not been exempted from taxation under the TIF Ordinance;

WHEREAS, to facilitate the development of the Property and to compensate the School District for a portion of the revenue that the School District would have received had the Improvement been made and not exempted from taxation, the Developer, the City and the School District have determined to enter into that certain Compensation Agreement, hereinafter further described in Section 3; and

WHEREAS, the School District desires to approve the TIF Ordinance and the TIF Exemption provided for therein upon the condition that the Developer, the City and the School District enter into the Compensation Agreement, hereinafter further described in Section 3; and

WHEREAS, the City has requested that the School District waive further notice requirements of R.C. 5709.40, 5709.83 and 5715.27; and

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF EDUCATION OF THE OLENTANGY LOCAL SCHOOL DISTRICT, STATE OF OHIO, THAT:

Section 1. The Board hereby approves the TIF Ordinance and the TIF Exemption provided for therein upon the condition that Developer, the City and the School District enter into the Compensation Agreement pursuant to Section 3 herein. The Board authorizes the President and Treasurer of this Board, and the Superintendent of the School District, to further evidence such approval and consent by execution of any documents necessary to give effect to the TIF Ordinance and the TIF Exemption provided for therein.

Section 2. The Board hereby waives any notice requirements set forth in R.C. 5709.40, 5709.83 and 5715.27 with respect to the TIF Ordinance and waives any defects or irregularities relating to the TIF Ordinance.

Section 3. The Board hereby authorizes the School District to enter into the Compensation Agreement, substantially in the form and under the terms and conditions set forth in **EXHIBIT B**, attached hereto and incorporated herein. The Board further authorizes the President and Treasurer of this Board, and the Superintendent of the School District, to execute and deliver the Compensation Agreement with such completions and changes which are not materially adverse to the School District and which shall be approved by those officials authorized to execute the Compensation Agreement. Such execution by those officials on behalf of the Board shall conclusively evidence this Board's approval of such Compensation Agreement.

Section 4. This Board directs the Treasurer of the Board to certify and deliver true and complete copies of this Resolution, together with the attachments hereto, to the Clerk of Council of the City of Columbus, Ohio after the passage of this Resolution.

Section 5. This Board finds and determines that all formal actions of this Board concerning and relating to the adoption of this Resolution were adopted in an open meeting of this Board and that all deliberations of this Board and of any of its committees that resulted in such formal action were in meetings open to the public in compliance with all legal requirements including R.C. Section 121.22.

Mr. King seconded the motion and, after discussion, a roll call vote was taken and the results were:

Ayes: Mr. Bartz, Mr. King, Mrs. Fearl, Mr. O'Brien

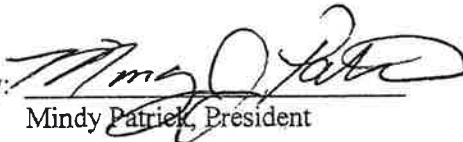
Nays: _____

The Resolution passed. Mrs. Patrick abstained from the vote
4-0

Passed: August 9, 2018


BOARD OF EDUCATION
OLENTANGY LOCAL SCHOOL DISTRICT

Attest: 
Emily Hatfield, Treasurer

By: 
Mindy Patrick, President

CERTIFICATE

The undersigned Treasurer of the Board of Education of the Olentangy Local School District, State of Ohio, hereby certifies that the foregoing is a true copy of a resolution duly passed by the Board of Education of said School District on August 9, 2018.


Emily Hatfield
Treasurer, Board of Education
Olentangy Local School District

COMPENSATION AGREEMENT

This Compensation Agreement (this "Agreement"), is made and entered into this 7 day of August, 2018, by and between **NP CAPITAL MANAGEMENT CORP.** (the "Developer"), a corporation organized and existing under the laws of the State of Ohio, the **CITY OF COLUMBUS, OHIO** (the "City"), a city organized and existing under the laws of the State of Ohio, and the **BOARD OF EDUCATION OF THE OLENTANGY LOCAL SCHOOL DISTRICT** (the "School District"), a public school district organized and existing under the laws of the State of Ohio.

RECITALS

WHEREAS, the City anticipates that the current property owners of certain real property located in the City (the "Property"), which Property is described on Exhibit A attached hereto and incorporated herein by this reference, will develop the Property by constructing one or more mixed-use developments and related improvements thereon; and

WHEREAS, the Property is located within the boundaries of the School District and the Delaware Area Career Center District (the "JVSD," and together with the School District, the "School Districts"); and

WHEREAS, in connection with the development of the Property, the Columbus City Council is expected to pass, or has already passed, an ordinance pursuant to Ohio Revised Code ("R.C.") Section 5709.40(B), a draft of which is on file with the School District Superintendent (the "TIF Ordinance"), which TIF Ordinance will declare 100% of the increase in assessed value of the Property (the "Improvement," as further defined in the TIF Ordinance) to be a public purpose and exempt from real property taxation for a period of 30 years (the "TIF Exemption"); and

WHEREAS, the School District is required to approve exemptions granted pursuant to R.C. Section 5709.40 of greater than 75% and for a term of greater than 10 years; and

WHEREAS, the City expects that the Developer's efforts will improve the Property consistent with the objectives stated in the TIF Ordinance; and

WHEREAS, the Improvement and the resulting economic development will substantially benefit both the City and the School District; and

WHEREAS, the TIF Ordinance requires the owner of the Property to make service payments in lieu of taxes ("Service Payments") equivalent in amount to the amount of real property taxes that would have been payable if the Improvement had not been exempted from taxation under the TIF Ordinance; and

WHEREAS, the School District has adopted a resolution (the "School District Resolution"), which School District Resolution (i) approved this Agreement and the exemption of the Improvement as provided in the TIF Ordinance, and (ii) waived further requirements of R.C. Sections 5709.40, 5709.82, 5709.83 and 5715.27; and

WHEREAS, to facilitate the construction of project on the Property and to compensate the School Districts for a portion of the revenue that the School Districts would have received had the Improvement been made and not exempted from taxation, the Developer, the City and the School District have determined to enter into this Agreement, on the terms hereinafter provided;

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

Section 1. Definitions. As used in this Agreement, the following terms shall have the meanings set forth below:

“Community Reinvestment Area” means the area designated pursuant to R.C. Sections 3735.65 *et seq.*

“Compensation Payments” means, for any Exemption Year, the payments to be made to the School Districts pursuant to the terms of Section 2(A) of this Agreement and Section [] of the TIF Ordinance.

“Exemption Year” means, for any portion of the Improvement, any tax year for which an Improvement would be taxable but for the exemptions from taxation pursuant to the TIF Ordinance.

“Enterprise Zone” means the area designated pursuant to R.C. Sections 5709.61 *et seq.*

“Fund” means the [] Tax Increment Equivalent Fund] established in the TIF Ordinance.

“School District Effective Commercial Millage” means, for any Exemption Year, the total effective commercial property tax rate for the School District and the JVSD, including all fixed-rate and fixed-sums levies, after application of the reduction factor determined by the Ohio Department of Taxation pursuant to R.C. Section 319.301(D).

Section 2. Payments to School Districts. Unless otherwise agreed in writing by the Developer, the City and the School District, with respect to Improvement located on the Property, for the year following each Exemption Year, the Developer and the City agree that the City shall make payments to the School Districts as follows:

- (A) Compensation Payments Amount. For Exemption Years 1 through 20, the City shall cause to be made to the School Districts, solely from Service Payments, semi-annual payments collectively equal to the Improvement multiplied by (i) 35%; (ii) the School District Effective Millage; and (iii) 50%. For Exemption Years 21 through 30, the City shall cause to be made to the School Districts, solely from Service Payments, semi-annual payments collectively equal to the Improvement multiplied by (i) 35%; (ii) the School District Effective Millage; and (iii) 100%. The intent of this Section 2(A) is to provide the School Districts with Compensation Payments equal to, in

Exemption Years 1 through 20, 50% of the amount of net real property taxes that it would have received from the Improvement had the Improvement not been exempted pursuant to the TIF Ordinance and, in Exemption Years 21 through 30, 100% of the amount of net real property taxes that it would have received from the Improvement had the Improvement not been exempted pursuant to the TIF Ordinance.

- (B) Compensation Payments Timing. The City shall cause the Compensation Payments to be made on a semi-annual basis, within thirty (30) days after the date of settlement between the County Treasurer and the City with respect to the Service Payments. The City shall provide an accounting along with each compensation payment setting forth the calculation of the Compensation Payments.

Section 3. Limitation on CRA or Enterprise Zone Exemptions. For any year in which a TIF Exemption is in effect for any parcel in the Property:

- (A) The City shall not include in a Community Reinvestment Area or an Enterprise Zone any portion of a parcel to the extent that such portion will be used for residential or commercial-retail purposes.
- (B) Neither the Developer nor its successors and assigns shall apply to include in a Community Reinvestment Area or an Enterprise Zone for any portion of a parcel to the extent that such portion will be used for residential or commercial-retail purposes.
- (C) Nothing in this Section 3 shall restrict the Developer, or its successors and assigns from applying for, or the City from accepting and granting, the inclusion of any parcel (or portion thereof) in the Property in a Community Reinvestment Area or an Enterprise Zone to the extent such parcel is used for commercial office purposes; provided that the abatement related to the Community Reinvestment Area or Enterprise Zone shall not apply to any portion of the parcel that is used for residential or commercial-retail purposes.

Section 5. School District Consents and Waivers. In consideration of the compensation to be provided to it under this Agreement, the School District hereby:

- (i) approves the TIF Exemption that may be granted under the TIF Ordinance for the Property;
- (ii) waives any notice requirements set forth in R.C. Sections 5709.40, 5709.83 and 5715.27 with respect to the TIF Exemption; and
- (iii) waives any defects or irregularities relating to the TIF Exemption.

Section 4. Application of Ohio Revised Code Section 5709.82. The School District acknowledges and agrees that this Agreement provides for the only compensation to be received by the School District in connection with real property tax exemptions granted pursuant to the TIF Ordinance and the compensation provided for in this Agreement is in lieu of any other compensation that may be provided for in R.C. Section 5709.82. Nothing herein shall limit the compensation otherwise payable to the School Districts as a result of the inclusion of any portion of the Property in a Community Reinvestment Area or an Enterprise Zone and the City acknowledges and agrees that the income-tax revenue sharing obligation contained in R.C. Section 5709.82, in the amount set forth in subsection (D) therein, remains in full force and effect with respect to the taxes levied and collected by the City on the incomes of new employees employed on an Improvement subject to a Community Reinvestment Area or Enterprise Zone abatement within the Property.

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

Section 6. Entire Agreement. This Agreement is executed pursuant to R.C. Sections 5709.40, 5709.82, 5709.83 and 5715.27, and sets forth the entire agreement and understanding between the parties, including without limitation all forms of compensation to be paid to the School District pursuant to those sections, 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. 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 Developer: _____

With a copy to: Scott J. Ziance, Esq.
Vorys, Sater, Seymour and Pease LLP
52 East Gay Street
Columbus, Ohio 43215

If to the City: _____

If to the School District: _____

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

Section 8. 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 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.

Section 10. 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 Developer and its officers and employees, the School District and its bodies, officers and employees, and the City and its bodies, officers and employees undertaken pursuant to the Agreement, is established as a duty with the Developer, the School District and 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 R.C. Section 2731.01 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.

IN WITNESS WHEREOF, the Developer, 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 COLUMBUS, OHIO

OLENTANGY LOCAL SCHOOL DISTRICT

By: _____
Mayor

By: Mark T. Baill
Superintendent

Approved as to Form

By: Emily Hatfield
Treasurer

By: _____
City Attorney

By: Wanda J. ...
President of the Board of Education

NP CAPITAL MANAGEMENT CORP.

By: _____

Its: _____

FISCAL OFFICER'S CERTIFICATE

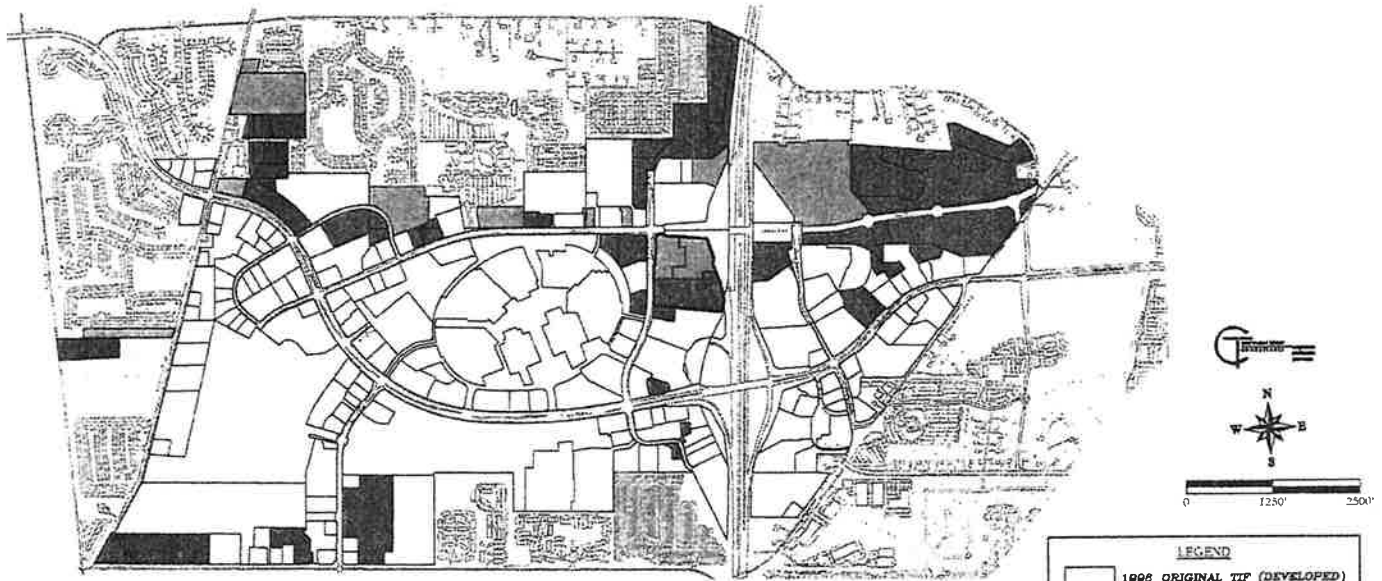
As fiscal officer for Columbus, Ohio, I hereby certify that funds sufficient to meet the obligations of the City in this Agreement have been lawfully appropriated for the purposes thereof and are available in the treasury, and/or are in the process of collection to the credit of an appropriate fund, free from any previous encumbrances. The City has no obligation to make payments pursuant to this Agreement except from Service Payments to be collected for deposit into the Fund, which Service Payments are in the process of collection. This certificate is given in compliance with Ohio Revised Code Sections 5705.41 et seq.

Dated: _____, 2018

Columbus, Ohio

**EXHIBIT A
THE PROPERTY**

EXHIBIT A



POLARIS II TIF

LEGEND	
	1998 ORIGINAL TIF (DEVELOPED)
	2018 PHASE I TIF
	2018 PHASE II TIF
	2018 PHASE I PROJECT
	2018 PHASE II PROJECT