

ORDINANCE NO. 2-2006

AN ORDINANCE AUTHORIZING THE EXECUTION OF AN AMENDMENT TO A TAX INCENTIVE AGREEMENT PREVIOUSLY ENTERED INTO BETWEEN THE CITY OF WASHINGTON COURT HOUSE, OHIO AND THE MIAMI TRACE LOCAL SCHOOL DISTRICT.

WHEREAS, Sections 5709.40 through 5709.43 of the Ohio Revised Code (collectively, the "TIF Statute") authorize municipalities to declare improvements to real property to be for a public purpose and to grant a real property tax exemption (a "TIF Exemption") for such improvements; and

WHEREAS, Section 5709.42 of the Ohio Revised Code further authorizes a municipality to require owners of improvements subject to a TIF Exemption to make an annual service payment to the municipality in lieu of taxes ("Service Payments"), which Service Payments are approximately equivalent to the amount of real property tax that would be payable on the increase in the true value of the parcel of property but for the TIF Exemption; and

WHEREAS Ohio Revised Code Sections 5709.61 through 5709.69 (the "EZ Act"), authorize counties, with the consent and agreement of affected city, to designate areas as enterprise zones and to execute agreements with certain enterprises for the purpose of establishing, expanding, renovating or occupying facilities and hiring new employees and preserving jobs within said enterprise zones in exchange for specified local tax incentives granted by such county; and

WHEREAS, the City of Washington Court House, Ohio (the "City") has, pursuant to Ordinance No. 16-2001 adopted by the City Council of the City (the "Council") on September 12, 2001 and amended by Ordinance No. 41-2001 adopted on December 12, 2001 (collectively, the "TIF Ordinance"), granted a 30-year, 100% TIF Exemption to certain real property improvements (the "Real Property Improvements") constructed on real property owned by Wal Mart Stores East, Inc. ("Wal Mart"), which real property is located within the boundaries of the City and the Miami Trace Local School District, Fayette, Clinton, Highland, Madison, Pickaway and Ross Counties, Ohio (the "School District"); and

WHEREAS, the TIF Exemption granted to Wal-Mart is subject to an 80%, ten-year enterprise zone exemption granted by Fayette County, Ohio to the Real Property Improvements under the EZ Act (the "EZ Abatement"); and

WHEREAS, the Board of Education of the School District passed a resolution on December 20, 2001 approving the TIF Exemption and the EZ Abatement on the condition that the City and the School District enter into a compensation agreement to provide for certain compensation to be paid to the School District; and

WHEREAS, the School District and the City entered into a Tax Incentive Agreement, dated as of December 27, 2001 (the "Tax Incentive Agreement"), in order to compensate the School District for property taxes lost as a result of the TIF Exemption; and

WHEREAS, at the November 8, 2005 election, the voters of the School District approved a bond issue in the amount of \$17,057,481 and a 0.50 mill maintenance levy, both of which provide that property taxes in an aggregate amount of 3.85 mills (the "Voted Millage") be levied initially for the purpose of constructing and maintaining facilities for the School District; and

WHEREAS, the School District anticipates placing one or more bond issues on the ballot in the future for the purpose of financing the construction and improvement of school facilities in connection with the Oho School Facilities Commission's Exceptional Needs Program; and

WHEREAS, the City and the School District desire to execute an amendment to the Tax Incentive Agreement (the "Amendment") to provide for additional compensation to be paid to the School District in connection such Voted Millage and for any future additional millage approved by the voters of the School District;

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF WASHINGTON COURT HOUSE, OHIO THAT:

SECTION 1. Authorization of the Amendment. The City Manager is hereby authorized and directed to execute, on behalf of the City, the Amendment with the City and the School District, which Amendment shall be in such form as is acceptable to this Council, approved by the City Attorney, and not substantially inconsistent with the terms of this Ordinance. The City Manager's execution of the Amendment shall be conclusive evidence of this Council's approval of such Amendment.

SECTION 2. Further Authorizations. This Council further hereby authorizes and directs the City Manager, the Clerk of Council, the City Attorney, the City Finance Director, or other appropriate officers of the City to prepare and sign all agreements and instruments and to take any other actions as maybe appropriate to implement this Ordinance.

SECTION 3. Open Meetings. It is hereby found and determined that all formal actions of this Council concerning and relating to the adoption of this Ordinance were passed in an open meeting of this Council, and that all deliberations of this Council 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 Section 121.22 of the Ohio Revised Code.

SECTION 4. This Ordinance shall take effect and be in force from and after the earliest date permitted by law.

PASSED: March 22, 2006

Frank Jennings
CHAIRPERSON OF COUNCIL

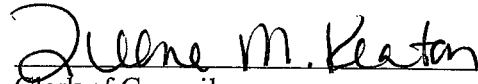
ATTEST:

Quene M. Keaton
CLERK OF COUNCIL

APPROVED AS TO FORM:
[Signature]
CITY ATTORNEY

CERTIFICATE

The undersigned Clerk of Council hereby certifies that the foregoing is a true copy of Ordinance No. ~~3-2006~~ duly adopted by the City Council of the City of Washington Court House, Ohio on 3-22, 2006.


Clerk of Council
City of Washington Court House, Ohio