

ORDINANCE NO. 23-20

**AN ORDINANCE AUTHORIZING THE EXECUTION OF A
COMMUNITY REINVESTMENT AREA AGREEMENT
AND DECLARING AN EMERGENCY**

WHEREAS, the City of Avon (the “**City**”) is determined to encourage the development of real property and the acquisition of personal property located in the area designated as the City of Avon Community Reinvestment Area (the “**CRA**”) and seeks to foster job creation and economic development in the City; and

WHEREAS, Geis At Chester, LLC (the “**Developer**”), Lorain County Port Authority (the “**Authority**”), collectively with the Developer, (the “**Property Owner**”) and the City (collectively, the “**Parties**”) have negotiated a proposed Community Reinvestment Area Agreement (the “**CRA Agreement**”) to provide certain economic development incentives to the Property Owner in exchange for the Property Owner committing to create or cause the creation of new jobs and payroll in the City with the planned tenant, Bendix Commercial Vehicle Systems LLC (the “**Tenant**”); and

WHEREAS, the Property Owner is or will become the owner of certain property located at 35500 Chester Road, Avon, Ohio (the “**Project Site**”), and in consideration for the incentives described in the CRA Agreement, the Property Owner intends to establish a new corporate and research facility for the Tenant at the Project Site (the “**Project**”); and

WHEREAS, in connection with the Project, the Property Owner will commit to investing at least Fifty-Five Million Dollars (\$55,000,000) and creating or causing to retain five-hundred fifty (550) full-time permanent employee positions with an aggregate annual payroll of at least Fifty-Five Million Dollars (\$55,000,000) by no later than December 31, 2021 (collectively, the “**Metric Commitments**”); and

WHEREAS, to encourage the development of real property and acquisition of personal property, the Council for the City of Avon, Ohio (the “**Council**”), by Ordinance No. 53-06, designated certain areas as a CRA; and

WHEREAS, effective May 12, 2006, the Director of Development of the State of Ohio (n/k/a the Ohio Development Services Agency) determined and certified that the aforementioned CRA contains the characteristics set forth in Ohio Revised Code Section 3735.66 and confirmed the CRA as a “Community Reinvestment Area” pursuant to that Section 3735.66; and

WHEREAS, the City, in order to encourage the creation and retention of the employee positions and in exchange for the Metric Commitments, desires to offer the Property Owner a fourteen (14) year 90% real property tax exemption on the increased assessed value of the Project Site as further set forth in the CRA Agreement; and

WHEREAS, the Project Site is located in the Avon City School District and the Lorain County Joint Vocational School District; and

WHEREAS, the Board of Education of the Lorain County Joint Vocational School District has been notified in accordance with Ohio Revised Code Section 5709.83 and has been given a copy of this Agreement; and

WHEREAS, the Board of Education of the Avon Local School District, has been notified and been given a draft of this Agreement together with the calculations demonstrating, in accordance with Ohio Revised Code Section 3735.671, that it is estimated to receive at least 50% of the amount of taxes foregone as a result of the CRA Agreement; and

WHEREAS, the City's obligation under the CRA Agreement is contingent upon passage of an ordinance by the City Council for the City of Avon (the "**Council**") authorizing the execution of the CRA Agreement; and

WHEREAS, the proposed CRA Agreement requires the Property Owner to provide the City with certain annual reports and entitles the City to audit the information that the City receives from the Property Owner; and

WHEREAS, the City Law Director has received a copy of the proposed CRA Agreement that the Parties have negotiated; and

WHEREAS, consistent with the City Charter at Article IV, section 16, the Council at its regularly scheduled meeting which took place on February 10, 2020, announced notice of its intent to conduct a public hearing to review and discuss the proposed Grant Agreement and the Annual Incentive. The public hearing, which was scheduled for the Council's next regularly scheduled work session, took place on February 17, 2020 at 7:30pm (the "**Public Hearing**"). At least seven days prior to the Public Hearing, the Council provided notice of the Public Hearing to the Superintendent of the Avon Local School District. The Council also arranged for notice of the Public Hearing to be published according to law; and

WHEREAS, the Economic Development Committee of Council met on February 17, 2020 and heard from representatives of Bendix, reviewed the CRA Agreement and by vote of three (3) in favor and zero (0) opposed, voted to recommend passage of this Ordinance authorizing the Mayor to enter into the Agreement; and

WHEREAS, the passage of this Ordinance is necessary in order to incentivize job creation and economic development in the City.

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF AVON, LORAIN COUNTY, OHIO:

Section 1 - That, in consideration of the covenants set forth in the CRA Agreement in the form on file with the City Law Director and attached hereto as Exhibit A, this Council hereby approves the CRA Agreement substantially in said form and authorizes the Mayor to execute and deliver the CRA Agreement on behalf of the City, with such changes therein not inconsistent with this Ordinance and not substantially adverse to this City; and

Section 2 – That this Council hereby authorizes the Mayor or other appropriate officers of the City to take such actions as are necessary or appropriate to implement the transactions contemplated by this Ordinance, including but not limited to (i) forwarding on behalf of Council a copy of the CRA Agreement, within fifteen (15) days after its execution, to the Director of the Ohio Development Services Agency (the “**Director**”); (ii) submitting on behalf of Council annual reports on the agreement to Director and the Avon Local School District board in accordance with Ohio Revised Code Section 3735.672(A); and (iii) taking any additional actions to fulfill the City’s obligations under the CRA Agreement.

Section 3 - That it is hereby found and determined that all formal actions of this Council concerning and relating to the passage of this Ordinance were adopted in an open meeting of this Council and that all deliberations of this Council and any decision making bodies of the City which resulted in such formal actions were in meetings open to the public, in compliance with all legal requirements, including Section 121.22 of the Ohio Revised Code.

Section 4 - That, this Ordinance is hereby declared to be an emergency measure necessary for the immediate preservation of the public peace, health, safety and welfare of City residents, for the purpose of consenting to the CRA Agreement with Bendix to make additional employment available, promote employment opportunities in the City and incentivize work related to the Project, and to allow construction to commence; therefore, this Ordinance is hereby declared to be an emergency and shall take effect and be in full force immediately upon its passage and approval by the Mayor.

PASSED: _____

DATE SIGNED: _____

By: _____
Brian Fischer, Council President

DATE APPROVED BY THE MAYOR _____

Bryan K. Jensen, Mayor

APPROVED AS TO FORM:

John A. Gasior, Law Director

ATTEST:

Barbara J. Brooks
Clerk of Council

POSTED: _____
In Five Places as
Provided by Council

Prepared By:
John A. Gasior, Esq.
Law Director