

ORDINANCE NO. 21 - 15

By Steve Keyes

An ordinance authorizing the amendment of the Economic Development Agreement between the City of Bexley and the Bexley Community Improvement Corporation, and appropriating \$130,000 from the Capital Fund to be transferred to the Bexley Community Improvement Corporation to be used exclusively for costs associated with purchasing and managing property in conjunction with Section 4 of the amended Economic Development Agreement.

Whereas, the 2003 Southwest Bexley Master Plan adopted by Bexley City Council via Resolution 16-03 on November 25, 2003, calls for a variety of improvements to the Livingston Avenue corridor, including: upgrading the aesthetics of the street (trees, buildings); limiting auto-oriented uses; supporting pedestrian features; creating gateway entry points; and creating mixed-use opportunities in collaboration with the City of Columbus; and

Whereas, the 2011 Bexley Land Use Strategy adopted by Bexley City Council via Resolution 02-11 on February 22, 2011, included the Livingston Avenue corridor as a study area, and included the following recommendations: "Form a Community Improvement Corporation (CIC) and use the CIC to assemble properties along Ferndale and Mayfield in order to comprehensively redevelop this area. The goal of the CIC should be to assemble the land and sell the land to a developer whose development plan is congruous with the city's vision for a redeveloped Ferndale/Mayfield area."; and

Whereas, the 2103 Bexley Strategic Plan, adopted by Bexley City Council via Ordinance 60-13 on November 19, 2013, says this about the Ferndale and Mayfield area: "fragmented ownership has resulted in inconsistent housing standards, with often inattentive landlords and with a higher ratio of criminal activities than is experienced in other areas of the City. The City needs to take a proactive role in remediating the environmental, structural, and police challenges in the area, while ensuring that affordable housing options continue to be available for residents in the area."; and

Whereas, in connection with its ongoing economic development efforts, the City, through actions by its City Council and Mayor, and pursuant to Revised Code Chapter 1724 and City Ordinance No. 52-12, formed Bexley Community Improvement Corporation (the "CIC") and designated the CIC as its agency for industrial, commercial, distribution and research development in the City pursuant to Revised Code Section 1724.10; and

Whereas, the City, pursuant to City Ordinance No. 19-13, (i) confirmed the 2011 Bexley Land Use Strategy as the plan for the City for industrial, commercial, distribution, and research development, or of reclamation, rehabilitation, and reutilization of vacant, abandoned, tax-foreclosed, or other real property (the "Plan"), and (ii) specified that the CIC shall participate as the agency of the City in furthering any and all of the recommendations specified in the Plan; and

Whereas, the Mayor and Bexley City Council believe that a stabilized Livingston Avenue corridor is essential to the preservation of property values and the enhancement of the quality of life of residents and property owners in the immediate and surrounding areas; and

Whereas, due to the complex barriers to stabilization and/or redevelopment in the area, including ownership fragmentation; environmental and geotechnical issues associated with the underlying land being formerly used as a landfill; and recurring issues associated with crime and code enforcement violations, the City and the Bexley Community Improvement Corporation will be a necessary and vital participant in any stabilization and/or redevelopment efforts;

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF BEXLEY, OHIO:

Section 1. That City Council hereby approves, and the Mayor and Auditor are hereby authorized to execute amended "Economic Development Agreement" between the City of Bexley and the Bexley Community Improvement Corporation, which shall be substantially in the form attached hereto as Exhibit A and incorporated herein by reference together with such revisions as are approved by those officials as consistent with the objectives and requirements of this Ordinance, which approval shall be conclusively evidenced by the signing of the Economic Development Agreement by those officials.

Section 2. That \$130,000 is hereby appropriate from the Capital Fund, and that a corresponding transfer of \$130,000 is hereby authorized from the Capital Fund to the Bexley Community Improvement Corporation for the purpose of paying costs associated with the purchase and management of property consistent with Section 4 of the attached amended "Economic Development Agreement".

Section 3. That this ordinance shall go into effect and be in force from and after the earliest period allowed by law.

Passed: 10/27, 2015

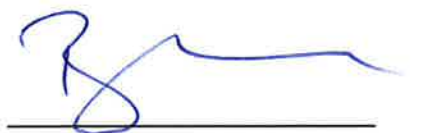


Richard Sharp
President of Council

Attest: 

Clerk of Council

Approved: 10/27, 2015



Mayor Ben Kessler

First Reading: 05-12-15

Second Reading: 5-26-15

Third Reading: 6-9-15

Ordinance 21-15

Tabled
OFF table 10/27/15
Passed 10/27/15

ECONOMIC DEVELOPMENT AGREEMENT
AMENDED MARCH, 2015

This Economic Development Agreement (this "Agreement") is made and entered into as of this ___ day of _____, 2015, by and between the City of Bexley, Ohio (the "City"), a municipal corporation organized and existing under the laws of the State of Ohio, and Bexley Community Improvement Corporation (the "CIC"), a community improvement corporation organized and existing under the laws of the State of Ohio.

RECITALS:

- A. In connection with its ongoing economic development efforts, the City, through actions by its City Council and Mayor, and pursuant to Revised Code Chapter 1724 and City Ordinance No. 52-12, formed the CIC and designated the CIC as its agency for industrial, commercial, distribution and research development in the City pursuant to Revised Code Section 1724.10.
- B. The City, pursuant to City Ordinance No. 19-13, (i) confirmed the 2011 Bexley Land Use Strategy as the plan for the City for industrial, commercial, distribution, and research development, or of reclamation, rehabilitation, and reutilization of vacant, abandoned, tax-foreclosed, or other real property (the "Plan"), and (ii) specified that the CIC shall participate as the agency of the City in furthering any and all of the recommendations specified in the Plan.
- C. The City, pursuant to City Ordinance No. 33-13, appropriated funds for the Bexley CIC account within the Bexley Development Department budget of the City's General Fund.
- D. The CIC was incorporated on March 4, 2013, and the board of directors of the CIC has been meeting regularly since 2013 to advance recommendations specified in the Plan.
- E. The board of directors of the CIC is composed of numerous talented Bexley residents, including many with significant real estate development, management, leasing and legal experience.
- F. The City benefits by providing the CIC with appropriate latitude to further the recommendations in the Plan and advance the City's development objectives.
- G. The transactions described in this Agreement are consistent with the Plan.
- H. This Agreement was originally ratified by both parties in 2013. This is the first amended version of the Agreement.

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

Section 1. R.C. Section 1724.10(B)(3) Agreements.

- A. The City will convey to the CIC lands and interests in lands owned by the City and determined by City Council from time-to-time not to be required by the City for its purposes. Such conveyance of such land or interests in land will promote the welfare of the people of the political subdivision, stabilize the economy, provide employment, assist in the development of industrial, commercial, distribution, and research activities to the benefit of the people of the City, or provide additional opportunities for their gainful employment.

- B. The CIC may acquire from others additional lands or interests in lands, and any lands or interests in land so conveyed to it will be used to promote the welfare of the people of the political subdivision, stabilize the economy, provide employment, and assist in the development of industrial, commercial, distribution, and research activities required for the people of the political subdivision and for their gainful employment.

- C. If any lands or interests in land conveyed by the City under this division are sold by the CIC at a price in excess of the consideration received by the City from the CIC at the time of the conveyance by the City to the CIC, such excess shall be paid to the City after deducting, to the extent and in the manner provided in this Agreement, the costs of such acquisition and sale, taxes, assessments, costs of maintenance, costs of improvements to the land by the CIC, service fees, and any debt service charges of the CIC attributable to such land or interests.

Section 2. Existing City Hall Site. The CIC shall be responsible for the existing City Hall site, subject to any deed restrictions imposed by the City with respect to the use of such property, in its role as owner and ground lessor of the existing City Hall site to Continental Bexley GE, LLC and shall remit to the City all payments received by it under that lease within thirty days of receipt, or alternatively, shall specify in that lease that all payments shall be made directly to the City.

Section 3. Bexley Square Site.

- A. The CIC shall be responsible for the portion of the Bexley Square site that it owns or will own (the "CIC Bexley Square Parcel") and shall manage the CIC Bexley Square Parcel in a

commercially reasonable manner. (The CIC shall not be responsible for the portion of the Bexley Square site that is retained by the City after the City's purchase of the Bexley Square site.) Except as otherwise provided herein, the CIC shall have wide latitude in the management of the CIC Bexley Square Parcel and shall exercise the powers set forth in Revised Code Chapter 1724 to further the recommendations in the Plan and advance the City's development objectives.

B. As used in this Section, "Net Operating Income" means all income generated by the CIC Bexley Square Parcel from any source, less operating expenses incurred in the operation of the CIC Bexley Square Parcel, including, but not limited to, real estate taxes and assessments, property and liability insurance, management fees, maintenance and repairs (including replacement of short-lived building components and tenant improvements), and utilities, but prior to subtraction for depreciation or debt service.

C. For each year that the CIC is responsible for the CIC Bexley Square Parcel, the CIC shall strive to generate a Net Operating Income of \$120,000 (the "Target Amount") or more.

1. The CIC shall remit to the City all Net Operating Income for a particular year to the City, up to the Target Amount. The Target Amount is an amount that the City and the CIC anticipate will be needed by the City to offset the City's debt service obligations and other costs associated with the purchase of the Bexley Square site and the redevelopment of the existing City Hall site.
2. If the CIC does not achieve the Target Amount for a particular year, the difference between the Target Amount and the Net Operating Income for that year shall be known as the "Target Shortfall." The sum of the Target Shortfall for that year and all previous Target Shortfalls, if any, shall be known as the "Aggregate Target Shortfall."
3. If the CIC exceeds the Target Amount for a particular year, the difference between the Net Operating Income and the Target Amount for that year shall be known as the "Target Excess."
4. To the extent that there is an Aggregate Target Shortfall, any Target Excess shall first be remitted to the City in an amount up to the Aggregate Target Shortfall, and the Aggregate Target Shortfall shall be reduced by the amount of the Target Excess.
5. To the extent that there is a Target Excess and the Target Excess exceeds the Aggregate Target Shortfall, the difference between the Target Excess and the Aggregate Target Shortfall shall be used by the CIC in its discretion to further the recommendations in the Plan and advance the City's development objectives.

6. To the extent that there is a Target Excess and there is not Aggregate Target Shortfall, the Target Excess shall be used by the CIC in its discretion to further the recommendations in the Plan and advance the City's development objectives.
7. For partial years in which the CIC is responsible for the CIC Bexley Square Parcel, the Target Amount shall be pro-rated based on the number of days during the calendar year that the CIC is responsible for the CIC Bexley Square Parcel.

Section 4. Ferndale and Mayfield Stabilization.

A. The CIC may enter into the purchase, holding, and sale of property located along Ferndale Avenue and Mayfield Avenue, based upon the following principals:

1. Property shall be held until such a time as a Ferndale and Mayfield Redevelopment Plan ("Redvelopment Plan") is jointly adopted by the CIC and Bexley City Council, at which point in time property may be disposed of in accordance with the Redevelopment Plan.
2. It is the intent of Bexley City Council to provide annual funding for the CIC's acquisition of property along Ferndale and Mayfield until such a time as the CIC's holdings on Ferndale and Mayfield are able to be redeveloped in accordance with the Redevelopment Plan.
3. The CIC may determine the appropriate pricing and acquisition strategy for properties within this area.
4. During the holding period, properties that are purchased by the CIC:
 - a. Shall be managed by an independent third-party management company
 - b. Shall be maintained at a level that is significantly above that of properties in the area as of the drafting of this agreement. Emphasis should be placed on functionality of the properties, and on landscaping and exterior aesthetics. Exterior aesthetic improvements should be made in accordance with a design standard developed specifically for the properties as a whole.
 - c. Shall be rented in accordance with the following principals:
 - i. Tenants should meet a reasonable minimum criteria as it pertains to criminal background and credit score, with no exceptions.

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ii. A free rent program may be established to allow free rental of units to first responders that would otherwise qualify based on credit score and background check.

Section 5. Restrictions. Without the express written consent of the City, the CIC shall not pledge City revenue, rely on the City for indemnities or otherwise risk the resources of the City. All agreements executed by the CIC must specify that, unless the City has expressly provided otherwise to the applicable party in writing, the City is not responsible for the CIC's obligations.

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Section 6. Amendment. This Agreement may be amended or modified by the parties only in writing, signed by both parties to the Agreement.

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Section 7. 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.

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Section 8. 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.


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Section 9. 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. 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.

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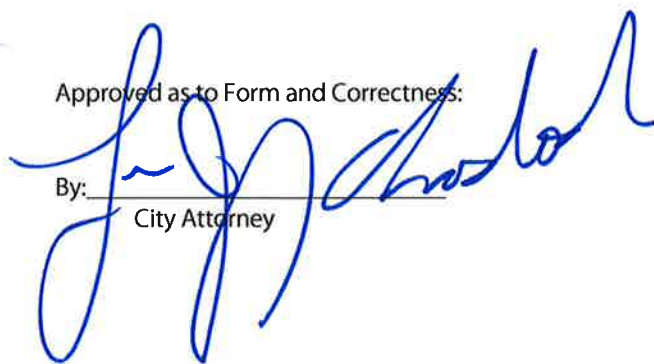
IN WITNESS WHEREOF, the City and the CIC have caused this Agreement to be executed in their respective names by their duly authorized officers or representatives, as of the date hereinabove written

CITY OF BEXLEY, OHIO

By: 
Mayor

By: 
City Auditor

Approved as to Form and Correctness:


By: _____
City Attorney

BEXLEY COMMUNITY IMPROVEMENT
CORPORATION

By: _____
Chair

By: _____
Treasurer

**ECONOMIC DEVELOPMENT AGREEMENT
AMENDED OCTOBER 27, 2015**

This Economic Development Agreement (this "Agreement") is made and entered into as of this 27th day of October, 2015, by and between the City of Bexley, Ohio (the "City"), a municipal corporation organized and existing under the laws of the State of Ohio, and Bexley Community Improvement Corporation (the "CIC"), a community improvement corporation organized and existing under the laws of the State of Ohio.

RECITALS:

- A. In connection with its ongoing economic development efforts, the City, through actions by its City Council and Mayor, and pursuant to Revised Code Chapter 1724 and City Ordinance No. 52-12, formed the CIC and designated the CIC as its agency for industrial, commercial, distribution and research development in the City pursuant to Revised Code Section 1724.10.
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C. If any lands or interests in land conveyed by the City under this division are sold by the CIC at a price in excess of the consideration received by the City from the CIC at the time of the conveyance by the City to the CIC, such excess shall be paid to the City after deducting, to the extent and in the manner provided in this Agreement, the costs of such acquisition and sale, taxes, assessments, costs of maintenance, costs of improvements to the land by the CIC, service fees, and any debt service charges of the CIC attributable to such land or interests.

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2. It is the intent of Bexley City Council to provide annual funding for the CIC's acquisition of property along Ferndale and Mayfield until such a time as the CIC's holdings on Ferndale and Mayfield are able to be redeveloped in accordance with the Redevelopment Plan.
3. The CIC may determine the appropriate pricing and acquisition strategy for properties within this area.
4. During the holding period, properties that are purchased by the CIC:
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 - b. Shall be maintained at a level that is significantly above that of properties in the area as of the drafting of this agreement. Emphasis should be placed on functionality of the properties, and on landscaping and exterior aesthetics. Exterior aesthetic improvements should be made in accordance with a design standard developed specifically for the properties as a whole.
 - c. Shall be rented in accordance with the following principals:
 - i. Tenants should meet a reasonable minimum criteria as it pertains to criminal background and credit score, with no exceptions.
 - ii. A free rent program may be established to allow free rental of units to first responders that would otherwise qualify based on credit score and background check.

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of the City. All agreements executed by the CIC must specify that, unless the City has expressly provided otherwise to the applicable party in writing, the City is not responsible for the CIC's obligations.

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Section 8. 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.

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IN WITNESS WHEREOF, the City and the CIC 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 BEXLEY, OHIO


By: 
Mayor

Approved as to Form and Correctness:

By: _____
City Auditor

By: _____
City Attorney

BEXLEY COMMUNITY IMPROVEMENT CORPORATION

By: 
Chair

By: 
Treasurer