

TEMPORARY ORDINANCE NO. 28-25

PERMANENT ORDINANCE NO. 32-25

AN ORDINANCE DECLARING THE IMPROVEMENT TO CERTAIN REAL PROPERTY LOCATED IN THE CITY OF LANCASTER, OHIO TO BE A PUBLIC PURPOSE; DECLARING SUCH IMPROVEMENT TO BE EXEMPT FROM REAL PROPERTY TAXATION PURSUANT TO OHIO REVISED CODE SECTION 5709.40(B); REQUIRING THE OWNERS THEREOF TO MAKE ANNUAL SERVICE PAYMENTS IN LIEU OF TAXES; DESCRIBING THE PUBLIC INFRASTRUCTURE IMPROVEMENTS TO BE MADE THAT WILL DIRECTLY BENEFIT THE REAL PROPERTY; ESTABLISHING A PUBLIC IMPROVEMENT TAX INCREMENT EQUIVALENT FUND FOR THE DEPOSIT OF SERVICE PAYMENTS, TOGETHER WITH RELATED AUTHORIZATIONS

WHEREAS, the City of Lancaster, Ohio (the "City") has prepared a strategy to foster the development of real property located in the City for commercial or industrial uses, as part of a broader development strategy aimed at facilitating a dynamic mix of uses generally not currently available in the City all in an effort to contribute to the positive economic development of the City, enlarge the property tax base, enhance income tax revenues, and stimulate collateral development within the City; and

WHEREAS, as part of the strategy for economic development described above, the City plans to subject the real property depicted and described on the EXHIBIT A— attached hereto and incorporated herein by reference (the "West End TIF Area" with each parcel comprising the West End TIF Area, whether presently appearing on Fairfield County tax duplicates or as appearing on future tax duplicates due to subsequent subdivisions, combinations, re-combinations, or re-numberings, being referred to individually as a "Parcel")— to one or more TIF Exemptions (as defined herein); and

WHEREAS, the City anticipates individuals and companies will contribute to the positive economic development described above by developing commercial or industrial projects within the West End TIF Area (any such individual or company, a "Developer"), all as may be further described and defined pursuant to one or more development agreements to be executed between the City and the Developers, and such other agreements as are required from time to time; and

WHEREAS, this Council has determined that it is necessary, appropriate and in the best interests of the City to utilize Division (B) of Ohio Revised Code ("R.C.") Section 5709.40 and its related provisions (the "TIF Act") in order to: (i) authorize municipal tax increment financing to declare the Improvement (as defined herein) of any Parcel comprising the West End TIF Area to be a public purpose exempt from real property taxation, (ii) require annual service payments in lieu of real property taxes with respect to the Parcels comprising the West End TIF Area, pursuant to R.C. 5709.42, and (iii) provide a mechanism to facilitate and finance the construction of the public infrastructure improvements that will directly benefit the Parcels comprising the West End TIF Area, as described on EXHIBIT B hereto and incorporated herein by reference (the "Public Infrastructure Improvements"); and

WHEREAS, the TIF Act provides for the use of municipal tax increment financing to pay the costs of Public Infrastructure Improvements, which costs may include, without limitation: (i) the payment for, or reimbursement of, costs of the Public Infrastructure Improvements (which costs may include, without limitation, the payment for, or reimbursement of, costs of the Public Infrastructure Improvements incurred by the City, or any other public or private party in cooperation with the City), and (ii) payment of debt service (the "Debt Service") on, and other expenses relating to the issuance of, any bonds, notes, or other obligations issued to finance the Public Infrastructure Improvements; and

WHEREAS, it is the intention of the City to pay to the Lancaster City School District (the "School District") certain compensation payments to compensate the School District in the amount of the taxes that would have been payable to the School District but for this Council's authorization of this Ordinance and the TIF Exemption; accordingly, certain compensation payments are to be paid to the School District as provided in this Ordinance; and

WHEREAS, because this Ordinance provides that the School District are to receive compensation in the amount of the taxes that would have been payable to the School District but for this Council's authorization of this Ordinance and the TIF Exemption, notice of this proposed ordinance was delivered to each of the School District at least fourteen (14) days prior to the day on which this Council intended to adopt this Ordinance, pursuant to R.C. Sections 5709.40(D)(5) and 5709.83; and

WHEREAS, pursuant to the compensation provided to the School District by the terms of this Ordinance, the percentage of the Improvements that may be exempted from taxation may exceed seventy-five percent (75%) and said TIF Exemption may be authorized for more than ten (10) years without the approval of the Board of Education of the School District, all pursuant to R.C. Section 5709.40(D)(1); and

WHEREAS, this Council has or may in the future have established multiple community reinvestment areas within the boundaries of the City (the "CRA Areas"), and one or more of the CRA Areas include all or a portion of the West End TIF Area; and

WHEREAS, it is the intention of this Council that the TIF Exemptions provided for herein shall be subordinate to any real property tax exemptions provided under R.C. Chapter 3735; now, therefore,

BE IT ORDAINED BY THE COUNCIL OF THE CITY OF LANCASTER, STATE OF OHIO:

SECTION 1. Authorization of TIF Exemption. Pursuant to and in accordance with the provisions of R.C. Section 5709.40(B), this Council hereby finds and determines that one hundred percent (100%) of the increase in the assessed value of each Parcel comprising the West End TIF Area (the "Exempted Property") subsequent to the effective date of this Ordinance (which increase in assessed value is hereinafter referred to as the "Improvement," as defined in R.C. Section 5709.40(A)(4)) is declared to be a public purpose and shall be exempt from real property taxation (the "TIF Exemption") for a separate TIF Exemption period commencing for each Parcel within the West End TIF Area with the first year for which an exemption is claimed by any DTE 24 exemption application, and any successor exemption application as the same may be updated by the State of Ohio, filed by the City with respect to such Parcel (the "Commencement Date"); and ending, for each Parcel included within the West End TIF Area, on the date that is the earlier of (a) thirty (30) years after the Commencement Date, or (b) the date on which the City can no longer require service payments in lieu of taxes, either by law, or because the costs of all Public Infrastructure Improvements are paid for, in accordance with the requirements of R.C. 5709.40, 5709.42, and 5709.43. The TIF Exemption with respect to each Parcel shall be subordinate to any real property

tax abatement provided under R.C. Chapter 3735, including without limitation as part of the CRA Areas, irrespective of who files the exemption application under R.C. Section 5709.911.

SECTION 2. Payment of Service Payments. As provided in R.C. 5709.42, this Council hereby directs and requires the Developers (to the extent that any of the Developers is an owner of a Parcel) and any other current or future owner, or owners, of each of the Parcels comprising the West End TIF Area (the "Owners") to make annual service payments in lieu of taxes with respect to the Improvement allocable to each Owner's Parcel to the County Treasurer of Fairfield County, Ohio (the "County Treasurer") on or before the final dates for payment of real property taxes. Each service payment in lieu of taxes, including any penalties and interest at the then-current rate established under R.C. 323.121 and 5703.47, will be charged and collected in the same manner and in the same amount as the real property taxes that would have been charged and payable against the Improvement if this Council had not authorized the TIF Exemption pursuant to this Ordinance. Such service payments in lieu of taxes, penalties and interest, and any other payments with respect to each Improvement that are received by the County Treasurer in connection with the reduction required by R.C. 319.302, 321.24, 323.152, and 323.156, as the same may be amended from time to time, or any successor provisions thereto as the same may be amended from time to time (the "Property Tax Rollback Payments," and together with the annual service payments in lieu of taxes and penalties and interest described above, the "Service Payments"). Such Service Payments will be allocated and distributed in accordance with Sections 3 and 4 of this Ordinance.

SECTION 3. Creation of West End TIF Fund; Application of Service Payments. This Council hereby establishes, pursuant to and in accordance with the provisions of R.C. Section 5709.43, a Municipal Public Improvement Tax Increment Equivalent Fund (the "West End TIF Fund"), which West End TIF Fund shall be designated by the City Auditor as the West End TIF Fund and maintained and identified separate from every other Municipal Public Improvement Tax Increment Equivalent Fund maintained by the City. The City Auditor may, in their discretion, create one or more accounts or sub-accounts within the West End TIF Fund, as appropriate, to distinguish the Service Payments received with respect to the TIF Exemption authorized by this Ordinance from any tax increment financing programs that may be established by the City in the future, and as are necessary to account for payment of the costs of the Public Infrastructure Improvements, including any reimbursement payments for the reimbursement of the costs of the Public Infrastructure Improvements, Debt Service on, and other expenses relating to, the issuance of any bonds, notes, or other obligations issued to finance the Public Infrastructure Improvements. The West End TIF Fund shall be maintained in the custody of the City and shall receive all distributions of Service Payments required to be made to the City. Those Service Payments received by the City with respect to the TIF Exemption, shall be used solely for the purposes authorized under the TIF Act, its related rules and laws, and this Ordinance, including, but not limited to, paying any costs of the Public Infrastructure Improvements. For purposes of this Ordinance, "costs" of the Public Infrastructure Improvements payable from the West End TIF Fund shall specifically include, but are not limited to, the items of "costs of permanent improvements" set forth in R.C. Section 133.15(B) and incurred with respect to the Public Infrastructure Improvements, which "costs" specifically include any reimbursement payments for the reimbursement of the costs of the Public Infrastructure Improvements, Debt Service on, and other expenses relating to the issuance of, any bonds, notes, or other obligations issued to finance the Public Infrastructure Improvements. The West End TIF Fund shall remain in existence so long as such Service Payments are collected and used for the aforesaid purposes, after which time the West End TIF Fund shall be dissolved and any surplus funds remaining therein shall be transferred to the City's General Fund, all in accordance with R.C. Section 5709.43.

SECTION 4. Distribution of Funds. Pursuant to R.C. Section 5709.42, the County Treasurer shall make semi-annual payments to the School District, solely from Service Payments, in the amount equal to the property tax payments that the School District would otherwise have received from the Improvements had the Improvements not been exempted pursuant to the TIF Exemption authorized by this Ordinance.

The County Treasurer shall remit all remaining Service Payments to the City for deposit in the West End TIF Fund established in Section III of this Ordinance. The City, at the City's sole discretion, shall then distribute Service Payments on deposit in the West End TIF Fund to pay, or reimburse, the City for the costs of Public Infrastructure Improvements constructed, or caused to be constructed, by the City.

SECTION 5. Public Infrastructure Improvements. This Council hereby designates the Public Infrastructure Improvements described in EXHIBIT B attached hereto as "public infrastructure improvements" (as such term is defined in R.C. Section 5709.40(A)(8)), made, to be made, or in the process of being made, and that, once made, will directly benefit the Parcels comprising the West End TIF Area.

SECTION 6. Application for Real Property Tax Exemption and Remission. This Council hereby authorizes the Director of Economic Development, their designees, and other appropriate officers of the City, to prepare and sign any applications for real property tax exemption pursuant to R.C. 5709.911, the provisions of which govern the priority status of the exemptions provided under this Ordinance.

SECTION 7. Further Authorizations. This Council further hereby authorizes and directs the Mayor, their designees, and other appropriate officers of the City, to prepare and sign all agreements, and any amendments thereto such that the character of those changes is not substantially adverse to the City, which shall be established conclusively by the Director of Economic Development's signature thereon, and to take such further actions and execute any certifications, financing statements, assignments, agreements, instruments, and other documents that are necessary or appropriate to implement this Ordinance.

SECTION 8. Notices. This Council hereby finds and determines that notice of this proposed Ordinance has been delivered to all affected School District in accordance with R.C. Sections 5709.40 and 5709.83, and hereby ratifies the giving of that notice.

SECTION 9. Tax Incentive Review Council. This Council hereby designates the Tax Incentive Review Council (the "TIRC") established by Permanent Resolution No. 75-21 as the TIRC that shall annually review the TIF Exemption resulting from this Ordinance and any other matters as may properly come before the TIRC, in accordance with R.C. 5709.85.

SECTION 10. Nondiscriminatory Hiring Practices. In accordance with R.C. 5709.832, this Council hereby determines that no employer located upon the Parcels comprising the West End TIF Area is to deny any individual employment based on considerations of race, religion, sex, disability, color, national origin, or ancestry.

SECTION 11. Ohio Department of Development. Pursuant to Division (I) of R.C. 5709.40, the Director of Economic Development, or their designees, is hereby directed to deliver a copy of this Ordinance to the Director of the Ohio Department of Development (“ODOD”) within fifteen (15) days after its passage. On or before March 31 of each year that the TIF Exemption remains in effect, the Director of Economic Development, their designees, or other appropriate officers of the City shall prepare and submit, or cause to be prepared and submitted, to the Director of ODOD the status report required under Division (I) of R.C. 5709.40.

SECTION 12. Open Meetings. It is hereby found and determined that all formal actions of this Council concerning and relating to the passage of this Ordinance were taken in an open meeting of this Council, and that all deliberations of this Council and any decision-making bodies of the City that resulted in such formal actions were in meetings open to the public and in compliance with Ohio’s Sunshine Laws, including R.C. 121.22.

SECTION 13. Effective Date. This Ordinance shall be in full force and effect immediately upon its passage and approval by the Mayor.

Passed: 8-11-2025 after 3 reading. Vote: Yeas 10 Nays 0

Approved: August 11, 2025

Clerk: [Signature]

[Signature]
President of Council

[Signature]
Mayor

Offered by: Mayra Hoop

Second by: Kat M. Ant

Requested by Economic Development Committee

I, Anitra Scott, Clerk of Council do hereby certify that on August 15, 2025 the Lancaster Eagle Gazette published the summary of this ordinance in accordance with Ohio Revised Code 731.24.

[Signature]
Clerk of Council

EXHIBIT A

The West End TIF Area is composed of the real property situated in the City of Lancaster, County of Fairfield and State of Ohio and specifically consists of the parcel numbers set forth in the table below (including any subsequent combinations, subdivisions, re-combinations, or re-numberings of such current parcel number), as identified in the records of the County Auditor, and as follows.

Table of Parcels Included in West End TIF Area

Fairfield County Parcel Identification #
0531004000
0531004073
0531004074
0531004072
0531345200
0531345300
0531345510
0531345610
0531345500
0531345600
0531004071
0531345400
0531834580
0531004070
0531353600
0531353700
0531353710
0531004004
0531004003
0531004023
0531004013
0531004017
0531004012
0531004019
0531004011
0531004021
0531004022
0531004015
0531004026
0531004060
0531004018
0531004002
0531004080
0531353100
0531353200

0531353400
0531353430
0531353420
0531353410
0650000200
0531890300
0531004014
0531004028
0531004029
0531004030
0531004031
0531004016
0531353000
0571001800
0571000900
0531344000
0571001700
0571001910
0531353330
0571000420
0571001900
0571000820
0531342710
0531353300
0531353320
0531353310
0531890700
0571001100
0571000311
0571000312
0571000310
0571001300
0571001620
0571001500
0571001400
0571000400
0571000230
0571000210
0571000200
0571000110
0571800011
0571000200

Map of West End TIF Area

For ease of reference, the following map is provided with the real property comprising the West End TIF Area outlined in red:

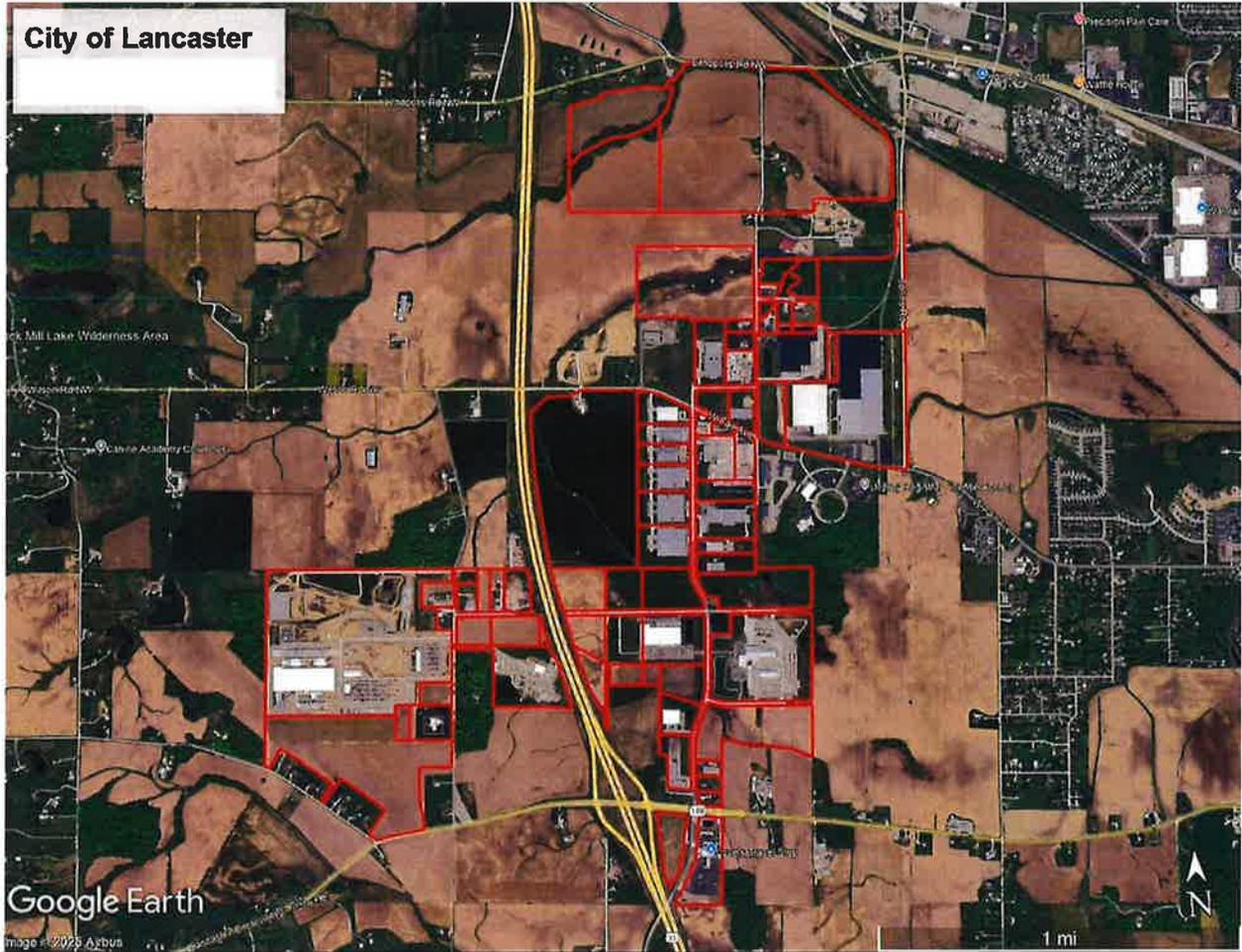


EXHIBIT B

Public Infrastructure Improvements

The Public Infrastructure Improvements consist generally of acquiring and constructing the infrastructure described below.

- Construction, reconstruction, extension, opening, improving, widening, grading, draining, curbing or changing of the lines and traffic patterns of roads, highways, streets, bridges (both roadway and pedestrian), traffic calming devices, sidewalks, bikeways, medians and viaducts accessible to and serving the public, and providing lighting systems, signalization, and traffic controls, the continued maintenance of public roads and highways, and all other appurtenances thereto;
- Construction, reconstruction or installation of improvements (including any underground utilities), storm and sanitary sewers (including necessary site grading therefore), fire equipment and fire buildings and improvements, water and fire protection systems, the continued maintenance of water and sewer lines, and all other appurtenances thereto;
- Construction, reconstruction or improvement of public buildings, town halls, community centers for recreation or other uses, police equipment, police station buildings and police systems, and all other appurtenances thereto;
- Construction, reconstruction or installation of gas, electric, and communication service facilities, and all other appurtenances thereto;
- Construction or reconstruction of one or more public parks, including grading, trees and other park plantings, park accessories and related improvements, and all other appurtenances thereto;
- Construction or installation of streetscape and landscape improvements including trees and shrubs, landscaping mounds and fencing, tree grates, planting beds, signage, curbs, sidewalks, street and sidewalk lighting, trash receptacles, benches, newspaper racks, burial of overhead utility lines and related improvements, and all other appurtenances thereto;
- Construction of one or more public parking facilities, including public surface parking, public parking structures and related improvements, off-street parking facilities, including those in which all or a portion of the parking spaces are reserved for specific uses when determined to be necessary for economic development purposes, and all other appurtenances thereto;
- Demolition and excavation, including demolition and excavation on private property when determined to be necessary for economic development purposes;
- Acquisition of real estate or interests in real estate (including easements) necessary to accomplish the foregoing improvements;
- Any on-going administrative expenses relating to the Public Infrastructure Improvements and maintaining the TIF revenues, including but not limited to engineering, architectural, legal, TIF administration, and other consulting and professional services; and
- All inspection fees and other governmental fees related to the foregoing.

The Public Infrastructure Improvements specifically include the costs of financing the Public Infrastructure Improvements, including the items of “costs of permanent improvements” set forth in R.C. Section 133.15(B), and incurred with respect to the Public Infrastructure Improvements, which

“costs” specifically include any reimbursement payments for the reimbursement of the costs of the Public Infrastructure Improvements and the Debt Service on, and other expenses relating to the issuance of, any bonds, notes, or other obligations issued to finance the Public Infrastructure Improvements.

All of the Public Infrastructure Improvements described above are hereby determined to be “public infrastructure improvements” (as defined in R.C. Section 5709.40(A)(8)) and are intended to directly benefit the real property described in **EXHIBIT A**.