

REVERE LOCAL SCHOOL DISTRICT
Summit County, Ohio

August 16, 2016

Special Meeting/Work Session 5:30 p.m.

REVISED

Administration Building

I. CALL TO ORDER – Claudia Hower

II. ROLL CALL

- A. Dana Appel
- B. Claudia Hower
- C. Tom Kelley
- D. Diana Sabitsch
- E. George Seifert

III. TREASURER'S AGENDA

IV. SUPERINTENDENT'S AGENDA

Other Business

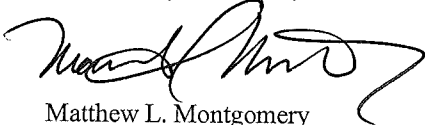
A. Tax Increment Financing Agreement (TIF)

It is recommended that the Board of Education approve the TIF agreement as detailed in **Attachment 1** and **Attachment 1a**.

Mrs. Appel _____ Mrs. Hower _____ Mr. Kelley _____ Mrs. Sabitsch _____ Mr. Seifert _____

V. ADJOURNMENT

Respectfully Submitted,



Matthew L. Montgomery
Superintendent

New Document

The Board of Education of Revere Local School District, Ohio met in _____ session on _____, 2016, commencing at 5:30 p.m. in the Board Room of the Administration Building, 3496 Everett Road, Richfield, Ohio, with the following members present:

The Treasurer advised the Board that the notice requirements of Section 121.22 of the Revised Code and the implementing rules adopted by the Board pursuant thereto were complied with for the meeting.

_____ moved the adoption of the following Resolution:

RESOLUTION NO. _____

A RESOLUTION APPROVING A REAL PROPERTY TAX EXEMPTION UNDER REVISED CODE SECTION 5709.41 IN CONNECTION WITH CONSTRUCTION OF AN OFFICE BUILDING LOCATED IN THE VILLAGE OF RICHFIELD AND A COMPENSATION AND COOPERATION AGREEMENT RELATED THERETO.

WHEREAS, the Village of Richfield has provided information relating to the proposed construction of additional office space by National Interstate Insurance Company (the "Company") adjacent to its existing facilities in the Village (the "Project") and a real property tax exemption with respect to the real property improvements to be made as part of the Project in order to enable the Village to carry out tax increment financing proceedings under Ohio Revised Code Section 5709.41; and

NOW, THEREFORE, BE IT RESOLVED by the Board of Education of Revere Local School District, Summit County, Ohio that:

Section 1. This Board approves the 100% real property tax exemption for 30 years to be authorized by Richfield Village Council by an ordinance to be passed pursuant to Ohio Revised Code Section 5709.41 ("TIF Ordinance") authorizing a real property tax exemption with respect to the real property improvements to be made as part of the Project, such approval being subject to the condition that a Tax Increment Financing Compensation and Cooperation Agreement be entered into between the School District, the Village and the Company consistent with provisions of Section 2 of this Resolution.

Section 2. This Board hereby authorizes the President of this Board, the Superintendent, and the Treasurer to execute a Tax Increment Financing Compensation and Cooperation Agreement on behalf of this Board with the Village and the Company (the "Compensation Agreement") pursuant to Ohio Revised Code Sections 5709.41 and 5709.82 providing for payments by the Village to the School District to compensate the School District for a portion of the property taxes it would have received but for the exemption provided in the TIF Ordinance, which Compensation Agreement shall be in substantially the form as is now attached

as an exhibit to this Resolution and made a part hereof, together with such changes as are approved by the officials signing the Compensation Agreement.

Section 3. This Board hereby waives all notice requirements under Revised Code Sections 5709.41 and 5709.83 or any other law with respect to the aforesaid real property tax exemption and the TIF Ordinance.

Section 4. This Board authorizes and directs the Superintendent, Treasurer and President of this Board to provide such information or certificates, and to enter into such instruments from time to time, as are necessary and appropriate to carry out the aforesaid approvals of this Board and to carry out the terms of the Compensation Agreement.

Section 5. This Board finds and determines that all formal actions of this Board and of any of its committees concerning and relating to the adoption of this Resolution were taken, and that all deliberations of this Board and of any of its committees that resulted in those formal actions were held, in meetings open to the public in compliance with the law.

Section 6. This Resolution shall be in full force and effect immediately upon its adoption.

_____ seconded the motion.

Upon roll call on the adoption of the Resolution, the vote was as follows:

TREASURER'S CERTIFICATION

The foregoing is a true and correct excerpt from the minutes of the regular/special meeting of the Board of Education of Revere Local School District, held on _____, 2016 commencing at 5:30 p.m. in the Board Room of the Administration Building, 3496 Everett Road, Richfield, Ohio, showing the adoption of the Resolution hereinabove set forth.

Dated: _____, 2016

Treasurer, Board of Education
Revere Local School District, Ohio

New Document

**TAX INCREMENT FINANCING
COMPENSATION AND COOPERATION AGREEMENT**

This Tax Increment Financing Compensation and Cooperation Agreement (the "Agreement") is made and entered into this ____ day of _____, 2016, by and between the REVERE LOCAL SCHOOL DISTRICT (the "School District"), the VILLAGE OF RICHFIELD, OHIO (the "Village"), and NATIONAL INTERSTATE INSURANCE COMPANY, an Ohio corporation ("NI").

W I T N E S S E T H:

WHEREAS, NI has proposed that it will undertake the construction of an additional approximately 112,500 square foot office facility on that certain real property identified and described in Exhibit A attached hereto and incorporated herein by reference (the "Property") and related improvements located on the Property (such additional construction and improvements being referred to herein as the "Project"), which Project will generate additional jobs and improve the public health, safety and general welfare of the Village and its residents; and

WHEREAS, NI is a significant employer located in the Village, and has been a strong civic supporter; and

WHEREAS, pursuant to Sections 5709.41, 5709.42 and 5709.43 of the Ohio Revised Code, the Village has determined that the Project is a public purpose; and

WHEREAS, pursuant to Sections 5709.41, 5709.42 and 5709.43 of the Ohio Revised Code, the Village has proposed to exempt from real property taxation 100% of the increase in assessed value of the Property (the "Improvements") for a period of thirty (30) years (the "Exemption"), as further described in Ordinance No. _____, [currently under consideration] [introduced on _____, 2016, for consideration by] the Village Council (the "TIF Ordinance"); and

WHEREAS, pursuant to Section 5709.42 of the Ohio Revised Code, the TIF Ordinance requires the owner of the Property, currently NI, (the "Owner") to make certain service payments in lieu of taxes (the "Service Payments") as described in the TIF Ordinance and to be memorialized in a TIF agreement between the Village and the Owner recorded in the Summit County Records ("TIF Declaration"); and

WHEREAS, pursuant to Section 5709.41 of the Ohio Revised Code, the Exemption must be approved by the School District and, pursuant to Sections 5709.82 and 5709.83 of the Ohio Revised Code, the Village and the School District are required to negotiate with respect to the sharing of Village income tax revenues associated with new jobs created by the Project; and

WHEREAS, it has historically been the position of the Village that it does not desire to impact revenues of the School District in connection with the Village's economic development efforts, however in consideration of the significant impact of the Project on the Village, and the unique status of NI as a significant employer within the Village, the Village has requested that the

School District assist the Village in providing incentives sufficient to ensure that the Project is undertaken by the Owner; and

WHEREAS, the Village does not intend that this Agreement should be considered as establishing a precedent with respect to future Village economic development efforts; and

WHEREAS, in consideration of the covenants and agreements of NI contained herein, the School District has determined to cooperate with the Village with respect to the establishment of a TIF and the Exemption; and

WHEREAS, the School District has further determined that this Agreement is in the public interest of the School District and all residents within the School District.

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

Section 1. Definitions. In addition to capitalized terms defined in the foregoing Recitals, the following terms are used herein:

“Contribution Period” means the period commencing with Tax Year 2018 and continuing until the earlier of payment to NI of the Maximum Amount or the end of Tax Year 2027.

“County” means the County of Summit, Ohio, and includes as applicable the Summit County Fiscal Officer.

“CVCC” means the Cuyahoga Valley Career Center, a joint vocational school district located in the territory in which the Property is located.

“CVCC Portion of Service Payments” means that portion of the Service Payments equal to the amount of the taxes that CVCC would have received on the value of the Improvements (as defined in the TIF Ordinance and Section 5709.41 of the Ohio Revised Code) had the Improvements not been exempted from taxation under the TIF Ordinance.

“Exemption Period” means the thirty (30) year period commencing on the date of the enactment of the TIF Ordinance, anticipated to be August 23, 2016 through August 22, 2046.

“Exemption Year” means any calendar year in which the Exemption granted by the TIF Ordinance is in effect.

“Maximum Amount” means a total sum of \$2,500,000 actually paid to NI by the Village from Service Payments.

“New Employees” shall have the meaning set forth in Section 5709.82(A) of the Ohio Revised Code, and shall include construction employees.

“Non-Contribution Period” means those Tax Years, and any portion of any Tax Year, during the Exemption Period which is not part of the Contribution Period.

“Proportionate Share” means, as between the School District and the CVCC with respect to each year a \$10,000 payment is being made under Section 2 hereof, the percentage of each of their effective tax rate for commercial property of the total effective tax rate for commercial property of both the School District and the CVCC combined, rounded to the nearest one-thousandth percent for all numbers, using the effective tax rates for the year a payment is due. For example, if the applicable School District tax rate is 35.752 mills and the CVCC’s is 1.867 mills, the School District Proportionate Share would be 95.037%, and the CVCC Proportionate Share would be 4.963%.

“School District Portion of Service Payments” means that portion of the Service Payments equal to the amount of the taxes that the School District would have received on the value of the Improvements (as defined in the TIF Ordinance and Section 5709.41 of the Ohio Revised Code) had the Improvements not been exempted from taxation under the TIF Ordinance.

“Service Payments” means those payments required by the TIF Ordinance that will be made by the Owner to the County and are the amount of the incremental increase in the real property taxes that would have resulted from the Improvements during a Tax Year if the Exemption had not been granted for that Tax Year.

“Tax Year” means the calendar year for which Service Payments are payable, and not the year of collection of such Service Payments.

“Village Portion of Service Payments” means the portion of the Service Payments remaining after deduction of the School District Portion of Service Payments and deduction of the CVCC Portion of Service Payments by operation of law.

Section 2. School District Compensation. In consideration of the terms set forth herein, the Village, NI as Owner and the School District agree as follows:

(A) From the Service Payments paid during the Contribution Period, the School District shall receive an amount equal to fifty percent (50%) of the School District Portion of Service Payments and CVCC shall receive an amount equal to fifty percent (50%) of the CVCC Portion of Service Payments, plus their Proportionate Share of an additional sum of Ten Thousand Dollars (\$10,000) for each such Tax Year.

(B) From the Service Payments paid during the Non-Contribution Period, the School District shall receive an amount equal to one hundred percent (100%) of the School District Portion of Service Payments, and CVCC shall receive an amount equal to one hundred percent (100%) of the CVCC Portion of Service Payments.

(C) The Village shall request that the County make the payments provided for in paragraphs 2 (A) and (B) above directly to the School District and make the payments required to CVCC by law directly to CVCC, however should such amounts be paid over to the Village, the Village shall remit payments due to the School District and/or CVCC (as the case may be) within fourteen (14) days of deposit by the Village into the redevelopment tax increment equivalent fund established pursuant to Section 5709.43 of the Ohio Revised Code and the TIF Ordinance. Should the County remit a payment to the School District which is in excess of the amounts provided for in paragraphs 2 (A) and (B) above, the School District shall remit the excess to the Village promptly after discovery of such error.

(D) Should the Owner make a Service Payment that is less than the full amount due, the Village, CVCC and the School District shall each receive their proportionate share of the decreased amount, such that any shortfall shall be shared equally by the Village, CVCC and the School District. Any subsequent payment of the shortfall shall be distributed to the School District, CVCC and the Village in proportional amounts until each have received payment in full of the shortfall.

(E) The School District hereby waives its right under Section 5709.82 of the Ohio Revised Code to receive income tax revenue sharing from the Village based upon the payroll of New Employees working at the Property before and during the Exemption Period.

Section 3. Village Compensation. In consideration of the terms set forth herein, the Village, NI as Owner and the School District agree as follows:

(A) From the Service Payments paid during the Contribution Period, the Village shall receive an amount equal to fifty percent (50%) of the Village Portion of Service Payments.

(B) From the Service Payments paid during the Non-Contribution Period, the Village shall receive an amount equal to one hundred percent (100%) of the Village Portion of Service Payments.

(C) The Village shall request that the County make the payments provided for in paragraphs 3 (A) and (B) above directly to the Village for deposit by the Village into the redevelopment tax increment equivalent fund established pursuant to Section 5709.43 of the Ohio Revised Code and the TIF Ordinance.

Section 4. Payments to NI. In consideration of the terms set forth herein, the Village, NI as Owner and the School District agree as follows:

(A) From the Service Payments paid during the Contribution Period, NI shall receive fifty percent of the total Service Payments, comprised of the following components: fifty percent (50%) of the Village Portion of Service Payments, plus fifty percent (50%) of the

School District Portion of Service Payments, plus fifty percent (50%) of the portion of service payments that the Cuyahoga Valley Career Center would have received on the value of the Improvements (as defined in the TIF Ordinance and Section 5709.41 of the Ohio Revised Code) had the Improvements not been exempted from taxation under the TIF Ordinance, minus the sum of Ten Thousand Dollars (\$10,000) for each such Tax Year, up to the Maximum Amount.

(B) NI shall not receive any portion of the Service Payments paid during the Non-Contribution Period.

(C) In the event that the entire amount of the Service Payments are not paid, NI shall not be entitled to any compensation under this agreement unless and until both the School District and the Village have received the entire amount to which they are entitled pursuant to Sections 2 and 3 above and CVCC has received the entire amount to which it is entitled pursuant to law.

(D) NI acknowledges and agrees that it is the intention of NI and the School District that the School District receive from NI, either directly or as Owner, ten (10) annual payments of Ten Thousand Dollars (\$10,000) each, for a total of One Hundred Thousand Dollars (\$100,000), such payment to be made annually pursuant to Section 2(A) of this Agreement, in addition to the School District Portion of Service Payments. In the event that the Contribution Period ends as a result of the payment of the Maximum Amount to NI, and such Contribution Period has been less than ten (10) years, then NI shall pay, directly to the School District, the difference between One Hundred Thousand Dollars (\$100,000) and the product of Ten Thousand Dollars (\$10,000) times the number of Tax Years in the Contribution Period. Such payment shall be made within ninety (90) days following the end of the Contribution Period. The School District shall be responsible for paying to CVCC its Proportionate Share of any such payment.

(E) The Village shall request that the County make the payments provided for in paragraph 4 (A) above to the Village. The Village shall remit payments due to NI within fourteen (14) days of deposit by the Village into the redevelopment tax increment equivalent fund established pursuant to Section 5709.43 of the Ohio Revised Code and the TIF Ordinance.

Section 5. School District Consent. In consideration of the compensation provided to the School District under Section 2 of this Agreement, the School District hereby approves the TIF Ordinance and the Exemption provided for therein. The School District further acknowledges that it has received sufficient notice of the TIF Ordinance and the Exemption, and waives any notice requirements set forth in Sections 5709.41, 5709.83 and 5715.27 of the Ohio Revised Code with respect to the TIF Ordinance and the Exemption. The School District waives any defects or irregularities relating to the TIF Ordinance and the Exemption, and agrees to support the Village's TIF exemption application to the Ohio Tax Commissioner, if necessary.

Section 6. No Other Compensation. The School District acknowledges and agrees that this Agreement provides for the only compensation to be received by the School District in connection with the Exemption and the compensation provided herein is in lieu of any other right to compensation that may be provided, including Section 5709.82 of the Ohio Revised Code.

Section 7. Additional Covenants and Agreements of NI. In order to induce the School District and the Village to enter into this Agreement, NI does hereby covenant and agree with the School District and the Village as follows:

(A) NI shall use good faith efforts during the Contribution Period: (i) to work cooperatively with the School District to structure an internship or senior project program for high school students and to otherwise include School District students in mutually agreed upon business activities of NI for career and educational opportunities; (ii) to encourage its employees living in the Village or School District to participate as a volunteer in appropriate Village and School District initiatives; and (iii) to make its conference rooms available to the School District and Village officials from time-to-time for occasional off-site business meetings.

(B) NI agrees, subject to Village approval and subject to events or conditions beyond the reasonable control of NI, to construct the Project on the Property and to substantially complete such construction in a timely manner, but not later than December 31, 2017, so as to cause the majority of the Improvements to be placed on the tax duplicate for Tax Year 2018. NI shall retain the responsibility to obtain any and all federal, state or local approvals for the Project and to pay all fees for any related building, zoning or other regulatory or permitting agency permits. NI also agrees to use its best efforts to design the Project in accordance with all local building and zoning codes and applicable regulations.

(C) NI shall cause the TIF Declaration to be recorded in the Summit County Records promptly following the enactment of the TIF Ordinance, and shall at all times during the Exemption Period abide by the terms and conditions set forth in the TIF Declaration. NI further covenants that it will pay, and will use best efforts to cause Owner (if not NI) to pay, all Service Payments during the Exemption Period.

Section 8. Amendment. This Agreement may be amended or modified by the parties only in writing, signed by all parties to the Agreement.

Section 9. Entire Agreement; Term. This Agreement is executed pursuant to Sections 5709.41, 5709.82, 5709.83 and 5715.27 of the Ohio Revised Code, 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. This Agreement shall remain in effect throughout the Exemption Period.

Section 10. Counterparts. This Agreement may be executed in any number of counterparts, all of which taken together shall constitute one and the same instrument, and either party to this Agreement may execute this Agreement by signing any such counterpart.

Section 11. 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 United States ordinary mail, postage prepaid, or hand delivered, and shall be deemed to have been given or delivered when so mailed or actually delivered to the following addresses:

If to Village:	The Village of Richfield, Ohio 4410 West Streetsboro Road Richfield, Ohio 44286 Attn: Mayor
If to the School District:	Revere Local School District 3496 Everett Road Richfield, Ohio 44286 Attn: Superintendent
If to NI:	National Interstate Insurance Company 3250 Interstate Drive Richfield, Ohio 44286 Attn: General Counsel

Section 11. 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 provisions were omitted.

Section 12. Governing Law. This Agreement shall be construed, interpreted, enforced, and the rights of the parties determined, in accordance with the laws of the State of Ohio.

Section 13. 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 party to this Agreement represents and warrants that it is executing this Agreement with the full and proper authority and that the individual whose names appear hereon are duly authorized and empowered to make and execute this Agreement. 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 School District and its bodies, officers and employees, and the Village and its bodies, officers and employees, undertaken pursuant to this Agreement is established as a duty with the School District and the Village 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 Section 2731.01 of the Ohio Revised Code 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.

Section 14. Successors and Assigns. This Agreement will be binding upon and inure to the benefit of the School District, the Village, NI and (if not NI) the Owner, and their respective successors and assigns. Neither NI nor the Owner (if not NI) may assign this Agreement or any of its rights or obligations in whole or in part to any person without the prior written consent of the Village and the School District, which consent must not be unreasonably withheld.

Section 15. Headings. The headings contained in this Agreement are for convenience of reference only and will not limit or otherwise affect the meaning.

Section 16. Village Council. This Agreement and all terms and provisions herein are subject to and conditioned upon the approval or ratification by duly enacted ordinance or resolution of the Council of the Village of Richfield.

Section 17. School District Board Approval. This Agreement and all terms and provisions herein are subject to and conditioned upon the approval or ratification by duly enacted ordinance or resolution of the Board of the School District.

[BALANCE OF PAGE INTENTIONALLY BLANK]

[SIGNATURES ON NEXT PAGE.]

IN WITNESS WHEREOF, the Village 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.

REVERE LOCAL SCHOOL DISTRICT

By: _____
Matthew L. Montgomery, Superintendent

By: _____
David Forrest, Treasurer/CFO

By: _____
President of the Board of Education

VILLAGE OF RICHFIELD, OHIO

By: _____
Bobbie Beshara, Mayor

By: _____
Sandy Turk, Director of Finance

Approved as to form and Correctness:

By: _____
William R. Hanna, Law Director

**NATIONAL INTERSTATE INSURANCE
COMPANY**

By: _____
Arthur J. Gonzales, Senior Vice President, General
Counsel and Secretary

FISCAL OFFICER'S CERTIFICATE

I, as Director of Finance for the Village of Richfield, Ohio, certify that the money required for the within Tax Increment Financing Compensation and Cooperation Agreement between the Village of Richfield, Ohio and Revere Local School District is in the treasury, to the credit of the fund from which it is to be drawn, or in the process of collection, and not appropriated for any other purpose.

Sandy Turk, Director of Finance

FISCAL OFFICER'S CERTIFICATE

The undersigned, as Fiscal Officer for the Revere Local School District, hereby certifies that the amount required to meet the agreements, obligations, payments and estimated costs of the District under the foregoing Tax Increment Financing Compensation and Cooperation Agreement has been lawfully appropriated or authorized or directed for such purposes and is in the Board's treasury or in the process of collection free from any obligation or certificate now outstanding.

David Forrest, Treasurer/CFO

Exhibit A

Legal Description of Property