

**LANCASTER CITY COUNCIL
LANCASTER, OHIO**

October 12, 2020

**REGULAR MEETING CONVENES
PRAYER
CALL TO ORDER
PLEDGE OF ALLEGIANCE
ROLL CALL
READING AND DISPOSING OF THE JOURNAL
REPORTS OF CITY OFFICIALS
COMMUNICATIONS**

1. Mayor Scheffler – Award Presentation

**PETITIONS AND MEMORIALS
PERMISSION OF VOTERS AND TAXPAYERS TO ADDRESS COUNCIL
REPORTS OF STANDING COMMITTEES
REPORTS OF SPECIAL COMMITTEES
PUBLIC HEARINGS
READING OF RESOLUTIONS**

THIRD READING

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| Temp Res #97-20 | A RESOLUTION AUTHORIZING THE LAW DIRECTOR TO NEGOTIATE AND ENTER INTO A CONTRACT WITH THE CITY OF PICKERINGTON FOR PROSECUTION OF CASES ARISING FROM CRIMINAL AND OTHER OFFENSES THAT OCCUR IN THE CITY OF PICKERINGTON WITHIN FAIRFIELD COUNTY, OHIO, AND TO ACCEPT PAYMENT
Finance (Downour/Bobbitt) (3 Readings) |
| Temp Res #98-20 | A RESOLUTION AUTHORIZING THE LAW DIRECTOR TO NEGOTIATE AND ENTER INTO A CONTRACT WITH THE CITY OF REYNOLDSBURG FOR PROSECUTION OF CASES ARISING FROM CRIMINAL AND OTHER OFFENSES THAT OCCUR IN THE CITY OF REYNOLDSBURG WITHIN FAIRFIELD COUNTY, OHIO, AND TO ACCEPT PAYMENT
Finance (Downour/Stoughton) (3 Readings) |
| Temp Res #99-20 | A RESOLUTION SCHEDULING LANCASTER CITY COUNCIL MEETINGS FOR 2021
Law (Hall/McDaniel) (3 Readings) |

SECOND READING

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| Temp Res #100-20 | A RESOLUTION TO AUTHORIZE THE SERVICE-SAFETY DIRECTOR TO WAIVE THE REQUEST FOR QUALIFICATIONS AND NEGOTIATE A CONTRACT FOR PLANNING AND DESIGN OF THE EXPANSION OF THE UPPER HOCKING WATER POLLUTION CONTROL FACILITY AND RELATED SEWERS AND PUMP STATIONS AND TO DECLARE AN EMERGENCY
Water/WPC (James/Tener) (2 Readings) |
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- Temp Res #104-20 A RESOLUTION AUTHORIZING THE MAYOR TO PREPARE AND SUBMIT AN APPLICATION FOR ROUND 35 GRANT FUNDING TO THE OHIO PUBLIC WORKS COMMISSION
Public Works (Schoonover/James) (3 Readings)
- Temp Res #106-20 A RESOLUTION TO APPROPRIATE FROM THE UNENCUMBERED BALANCE AND TO AMEND THE CERTIFICATE OF APPROPRIATIONS WITH THE COUNTY AUDITOR IN THE WATER POLLUTION CONTROL FUND (6004)
Water/WPC (James/Tener) (2 Readings)
- Temp Res #107-20 A RESOLUTION TO APPROPRIATE FROM THE UNENCUMBERED BALANCE IN THE LDOT FUND (2008) AND TO AMEND THE CERTIFICATE OF APPROPRIATIONS WITH THE COUNTY AUDITOR
Public Works (Schoonover/Downour) (3 Readings)
- Temp Res #109-20 A RESOLUTION TO INCREASE RECEIPTS, APPROPRIATE FROM THE UNENCUMBERED BALANCE IN THE LOCAL CORONAVIRUS RELIEF FUND (2050), AMEND THE CERTIFICATE OF OTHER SOURCES & APPROPRIATIONS WITH THE COUNTY AUDITOR
Finance (Downour/Bobbitt) (2 Readings)

FIRST READING

- Temp Res #110-20 A RESOLUTION TO APPROPRIATE FROM THE UNENCUMBERED BALANCE AND TO AMEND THE CERTIFICATE OF APPROPRIATIONS WITH THE COUNTY AUDITOR IN THE WATER POLLUTION CONTROL FUND (6004)
Water/WPC (James/Tener) (2 Readings)
- Temp Res #111-20 A RESOLUTION TO DECREASE AND INCREASE APPROPRIATIONS IN THE TRANSIT FUND (2021)
Public Works (Schoonover/Downour) (1 Reading)
- Temp Res #112-20 A RESOLUTION TO APPROVE THE ISSUANCE OF ONE THEN AND NOW CERTIFICATE NEEDED FOR THE PAYMENT OF AN INVOICE RECEIVED PRIOR TO THE ISSUANCE OF A PURCHASE ORDER
IT/Telecom (Stoughton/James) (1 Reading)

READING OF ORDINANCES

THIRD READING

NONE.

SECOND READING

- Temp Ord #18-20 AN ORDINANCE TO ACCEPT THE FINAL PLAT FOR THE OVERLOOK SECTION 2
Code Enforcement (Mattlin/Hall) (3 Readings)

- Temp Ord #19-20 AN ORDINANCE TO ACCEPT THE REPLAT OF WESLEY WOODS SUBDIVISION, PHASE 2
Code Enforcement (Mattlin/Schoonover) (2 Readings)
- Temp Ord #20-20 AN ORDINANCE PROVIDING FOR THE ISSUANCE AND SALE OF NOTES IN THE MAXIMUM PRINCIPAL AMOUNT OF ONE MILLION EIGHTY THOUSAND DOLLARS (\$1,080,000.00), IN ANTICIPATION OF THE ISSUANCE OF BONDS, FOR THE PURPOSE OF PAYING THE COSTS OF THE RENOVATION OF AN EXISTING BUILDING FOR USE BY THE CITY'S MUNICIPAL COURT, TOGETHER WITH ALL NECESSARY APPURTENANCES THERETO, AND DECLARING AN EMERGENCY
Finance (Downour/Stoughton) (3 Readings)
- Temp Ord #21-20 AN ORDINANCE TO AUTHORIZE THE MAYOR TO ENTER INTO AN AGREEMENT TO PURCHASE APPROXIMATELY 0.14 ACRES, MORE OR LESS, OF REAL PROPERTY IDENTIFIED AS PARCEL NUMBER 0535118000 FROM WAYNE A. HEDGES AND LORENA J. HEDGES
Public Works (Schoonover/Downour) (3 Readings)
- Temp Ord #22-20 AN ORDINANCE REGARDING THE DISSOLUTION OF THE LANCASTER AREA COMMUNITY IMPROVEMENT CORPORATION ("LANCASTER CIC"), AND TO DECLARE AN EMERGENCY
Economic Development (McDaniel/Stoughton) (2 Readings)

FIRST READING

- Temp Ord #23-20 AN ORDINANCE PROVIDING FOR THE ISSUANCE AND SALE OF REVENUE NOTES, IN THE AGGREGATE PRINCIPAL AMOUNT OF NINE HUNDRED SIXTY-EIGHT THOUSAND FORTY-FOUR DOLLARS AND EIGHTY CENTS (\$968,044.80), TO PAY COSTS OF IMPROVING ETY ROAD, MEMORIAL DRIVE AND MICHAELS WAY BY GRADING, WIDENING, PAVING, CURBING, AND IMPROVING BRIDGES AND RAILROAD CROSSINGS, RELOCATING UTILITIES, AND INSTALLING SIDEWALKS, TRAFFIC SIGNALS AND SIGNS, AND WATER, SANITARY AND STORM WATER LINES AND FACILITIES, TOGETHER WITH ALL NECESSARY APPURTENANCES THERETO, AND DECLARING AN EMERGENCY
Finance (Downour/Bobbitt) (3 Readings)
- Temp Ord #24-20 AN ORDINANCE PROVIDING FOR THE ISSUANCE AND SALE OF A REVENUE NOTE IN THE AGGREGATE PRINCIPAL AMOUNT OF THREE HUNDRED THOUSAND TWO HUNDRED SIXTY-FOUR DOLLARS AND EIGHTEEN CENTS (\$300,264.18) TO REIMBURSE FLAGSTAR BANK, FSB FOR A DRAW ON THE LETTER OF CREDIT IN CONNECTION WITH COSTS OF IMPROVING ETY ROAD, MEMORIAL DRIVE AND MICHAELS WAY BY GRADING, WIDENING, PAVING, CURBING, AND IMPROVING BRIDGES AND RAILROAD CROSSINGS, RELOCATING

UTILITIES, AND INSTALLING SIDEWALKS, TRAFFIC SIGNALS AND SIGNS, AND WATER, SANITARY AND STORM WATER LINES AND FACILITIES, TOGETHER WITH ALL NECESSARY APPURTENANCES THERETO, AND DECLARING AN EMERGENCY

Finance (Downour/Stoughton) (3 Readings)

TABLED LEGISLATION

Temp Res #45-20 A RESOLUTION TO APPROPRIATE FROM THE UNENCUMBERED BALANCE IN THE PARKS AND RECREATION FUND (212), AND AMEND THE CERTIFICATE WITH THE COUNTY AUDITOR

Service (Tener/Mattlin) (3 Readings)

Tabled after 3rd reading – April 13, 2020

Temp Ord #14-20 AN ORDINANCE TO AMEND SECTIONS 183.012, 183.013 AND 183.02 OF THE CODIFIED ORDINANCES OF THE CITY OF LANCASTER, OHIO, IN ORDER TO PROVIDE FOR THE LEVY OF AN ADDITIONAL FORTY-FIVE HUNDREDTHS OF ONE PERCENT (0.45%) INCOME TAX, EFFECTIVE JANUARY 1, 2021, ON THE SALARIES, WAGES, COMMISSIONS AND OTHER COMPENSATION SUBJECT TO THE MUNICIPAL INCOME TAX WITH ALL SUCH TAX TO BE USED FOR THE PURPOSE OF OPERATING, MAINTAINING, REPAIRING, AND PROVIDING CAPITAL FACILITIES FOR THE FIRE AND POLICE DEPARTMENTS OF THE CITY, AND TO DECLARE AN EMERGENCY

Finance (Downour/Stoughton) (2 Readings)

Tabled after 2nd reading – July 13, 2020

UNFINISHED BUSINESS

NEW BUSINESS/PRESENTATIONS

ANNOUNCEMENT OF SCHEDULED MEETINGS

REGULARLY SCHEDULED CITY COUNCIL MEETINGS

1. October 26th at 6:30 p.m.
2. November 9th at 6:30 p.m.
3. November 23rd at 6:30 p.m.
4. December 14th at 6:30 p.m.

SPECIAL SCHEDULED MEETINGS

1. None

REGULARLY SCHEDULED COMMITTEE MEETINGS

1. Water/WPC – October 14th at 8:00 a.m. - WPC CR
2. Law – October 14th at 9:30 a.m. - FCMC Community Room
3. Finance – October 26th at 6:00 p.m. – Council Chambers
4. Finance – November 9th at 6:00 p.m. – Council Chambers

READING OF BILLS

EXECUTIVE SESSION

ADJOURNMENT

TEMPORARY RESOLUTION NO. 110-20

PERMANENT RESOLUTION NO. _____

A RESOLUTION TO APPROPRIATE FROM THE UNENCUMBERED BALANCE AND TO AMEND THE CERTIFICATE OF APPROPRIATIONS WITH THE COUNTY AUDITOR IN THE WATER POLLUTION CONTROL FUND (6004)

WHEREAS, this funding is needed to cover uniform costs;

BE IT RESOLVED BY COUNCIL OF THE CITY OF LANCASTER, STATE OF OHIO

SECTION 1. That the City of Lancaster Auditor amend the Certificate of Appropriations with the County Auditor in the amount of One Thousand Dollars (\$1,000.00) in the Water pollution Control Fund (6004).

SECTION 2. That the City of Lancaster Auditor appropriate from the unencumbered balance in the Water Pollution Control Fund (6004) in expense account 6004.6750.51054 (Uniforms) in the amount of One Thousand Dollars (\$1,000.00) to cover uniform costs.

SECTION 3. That this resolution shall take effect and be in force from and after the earliest period allowed by law.

Passed: _____ after _____ reading. Vote: Yeas _____ Nays _____

Date Approved: _____

President of Council

Clerk: _____

Mayor

Offered by: _____

Second by: _____

Requested by Water/Water Pollution Control Committee

TEMPORARY RESOLUTION NO. 111-20

PERMANENT RESOLUTION NO. _____

A RESOLUTION TO DECREASE AND INCREASE APPROPRIATIONS IN THE TRANSIT FUND (2021)

WHEREAS, Transit received notification of an unemployment claim retroactive to September 6, 2020; and

WHEREAS, a new unemployment line item was created by the Auditor's Office, to pay this claim; and

WHEREAS, funds need to be transferred to this account, so payment can be made for this unemployment claim;

BE IT RESOLVED BY COUNCIL OF THE CITY OF LANCASTER, STATE OF OHIO

SECTION 1. That the City of Lancaster Auditor complete the following Decrease and Increase appropriation for the Transit Fund (2021).

Decrease: 2021.7100.51002, Salary (Staff) \$6,700.00

Increase: 2021.7100.51058, Unemployment \$6,700.00

SECTION 2. That this resolution shall take effect and be in force from and after the earliest period allowed by law.

Passed: _____ after _____ reading. Vote: Yeas _____ Nays _____

Date Approved: _____

President of Council

Clerk: _____

Mayor

Offered by: _____

Second by: _____

Requested by Public Works Committee

TEMPORARY RESOLUTION NO. 112-20

PERMANENT RESOLUTION NO. _____

A RESOLUTION TO APPROVE THE ISSUANCE OF ONE THEN AND NOW CERTIFICATE NEEDED FOR THE PAYMENT OF AN INVOICE RECEIVED PRIOR TO THE ISSUANCE OF A PURCHASE ORDER

WHEREAS, the vendor, CivicPlus, charges a five percent (5%) fee for credit card payments on invoices in excess of Twenty-Five Hundred Dollars (\$2,500.00); and

WHEREAS, the City will not pay this additional fee and must create a purchase order to make payment of the CivicPlus invoice in the amount of Four Thousand Five Hundred Eleven Dollars and Ninety-Six Cents (\$4,511.96); and

WHEREAS, the invoice was received prior to a purchase order being issued;

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

SECTION 1. That City Council approves the issuance of a Then and Now Certificate needed for the payment of an invoice to CivicPlus.

SECTION 2. That this resolution shall take effect and be in force from and after the earliest period allowed by law.

Passed: _____ after _____ reading. Vote: Yeas _____ Nays _____

Date Approved: _____

Clerk: _____

Offered by: _____

Second by: _____

Requested by IT/Telecom Committee

President of Council

Mayor

TEMPORARY ORDINANCE NO. 23-20

PERMANENT ORDINANCE NO. _____

AN ORDINANCE PROVIDING FOR THE ISSUANCE AND SALE OF REVENUE NOTES, IN THE AGGREGATE PRINCIPAL AMOUNT OF NINE HUNDRED SIXTY-EIGHT THOUSAND FORTY-FOUR DOLLARS AND EIGHTY CENTS (\$968,044.80), TO PAY COSTS OF IMPROVING ETY ROAD, MEMORIAL DRIVE AND MICHAELS WAY BY GRADING, WIDENING, PAVING, CURBING, AND IMPROVING BRIDGES AND RAILROAD CROSSINGS, RELOCATING UTILITIES, AND INSTALLING SIDEWALKS, TRAFFIC SIGNALS AND SIGNS, AND WATER, SANITARY AND STORM WATER LINES AND FACILITIES, TOGETHER WITH ALL NECESSARY APPURTENANCES THERETO, AND DECLARING AN EMERGENCY

WHEREAS, pursuant to Ordinance No. 39-06 (the "TIF Ordinance"), passed by this Council on September 11, 2006, the City declared certain improvements to certain property (the "Property") to be a public purpose, exempting portions of the value of those improvements from real property taxes, specified that certain public infrastructure improvements, including the improvements described in Section 1 (the "Improvements"), would benefit that property, requiring the owners of the Property to make service payments in lieu of taxes (the "Service Payments"), creating the Ety Road Municipal Tax Increment Equivalent Fund (the "TIF Fund"), and authorizing a Tax Increment Financing Agreement (the "TIF Agreement") by and among the City, Island Capital Investment Group, LLC ("Island Capital"), Menard, Inc. ("Menard"), RLG Lancaster Ltd. ("RLG Lancaster"), GCG Lancaster Ltd. ("GCG Lancaster"), Anchor Lancaster, LLC ("Anchor Lancaster" and together with RLG Lancaster and GCG Lancaster, "RG/Anchor") and Wal-Mart Stores East, LP ("Wal-Mart", and together with Island Capital, Menard and RG/Anchor, the "TIF Parties"); and

WHEREAS, pursuant to Section 3.13 of the TIF Agreement, if the costs of the Improvements exceed the \$3,600,000 (a "Project Shortfall"), Island Capital was required to pay to the City 30.12% of the Project Shortfall, Menard was required to pay to the City 24.56% of the Project Shortfall, RG/Anchor was required to pay to the City 10.23% of the Project Shortfall and Wal-Mart was required to pay to the City 35.09% of the Project Shortfall; and

WHEREAS, a Project Shortfall occurred; and

WHEREAS, pursuant to Section 3.12 of the TIF Agreement, in exchange for the payment of the Project Shortfall by Island Capital, Menard, RG/Anchor and Wal-Mart, and pursuant to Ordinance No. 21-19 passed by this Council on November 25, 2019, the City issued to each of those entities a note (each an "Outstanding TIF Note" and collectively, the "Outstanding TIF Notes") in an amount equal to each entity's current portion of the Project Shortfall (being the amount of the Project Shortfall, plus accrued interest, minus any repayments by the City) which aggregated in the amount of \$1,015,677.54; and

WHEREAS, the Outstanding TIF Notes mature on December 31, 2020;

WHEREAS, the Outstanding TIF Notes are payable solely from amounts on deposit in the TIF Fund and available for that purpose pursuant to Section 4.3 of the TIF Agreement; and

WHEREAS, on December 31 of each year, to the extent amounts on deposit in the TIF Fund are available, the City is required by Section 3.12 of the TIF Agreement to pay the principal of and interest on the Outstanding TIF Notes; and

WHEREAS, on December 31 of each year, to the extent amounts on deposit in the TIF Fund are not available to pay the entire principal of and interest on the Outstanding TIF Notes, the City is required to issue new TIF Notes to the TIF Parties or their successors in an amount equal to the unpaid principal of and interest on the Outstanding TIF Notes and such new TIF Notes are to bear interest at a rate equal to the interest rate on the City's Debt (as defined in the TIF Agreement);

WHEREAS, approximately \$100,000.00 of funds available on deposit in the TIF Fund available to pay a portion of the principal of and all of the interest on the Outstanding TIF Notes;

NOW, THEREFORE, BE IT ORDAINED by the Council of the City of Lancaster, Fairfield County, Ohio, that:

SECTION 1. It is necessary to issue and this Council determines that revenue notes in the aggregate principal amount of \$968,044.80 (the "Series 2020 TIF Notes") shall be issued to pay costs of improving Ety Road, Memorial Drive and Michaels Way by grading, widening, paving, curbing, and improving bridges and railroad crossings, relocating utilities, and installing sidewalks, traffic signals and signs, and water, sanitary and storm water lines and facilities, together with all necessary appurtenances thereto and to retire the Outstanding TIF Notes and to pay any financing costs. The Series 2020 TIF Notes shall be secured solely by monies on deposit in the TIF Fund. The Series 2020 TIF Notes shall be issued pursuant to the Constitution of the State, the Ohio Revised Code and this Ordinance.

SECTION 2. The Series 2020 TIF Notes shall be dated December 31, 2020 and shall mature on December 31, 2021. The Series 2020 TIF Notes shall bear interest at a rate of 2.896% per year (computed on the basis of a 360-day year consisting of twelve 30-day months), payable at maturity and until the principal amount is paid or payment is provided for.

SECTION 3. The Treasurer of the City is hereby appointed to act as the initial note registrar and paying agent for the Series 2020 TIF Notes (the "Paying Agent"). The principal of and interest on the Series 2020 TIF Notes shall be payable when due in Federal Reserve funds of the United States of America, without deduction for the services of the Paying Agent as paying agent, upon presentation and surrender of the Series 2020 TIF Notes at the main office of the Paying Agent.

SECTION 4. The Series 2020 TIF Notes shall be signed by the Mayor and the Auditor, in the name of the City and in their official capacities; provided that either or both of those signatures may be a facsimile. The Series 2020 TIF Notes shall be issued as four notes, one to Flagstar Bank, FSB ("Flagstar"), as successor to Island Capital, one to Menard, one to RG/Anchor and one to Wal-Mart, or their successors or assigns, representing 30.12%, 24.56%, 10.23% and 35.09%, respectively, in the aggregate principal amount of the Series 2020 TIF Notes. The Series 2020 TIF Notes shall not have coupons attached, shall be numbered as determined by the Auditor and shall express upon their faces the purpose, in summary terms, for which they are issued and that they are issued pursuant to this Ordinance.

SECTION 5. The Series 2020 TIF Notes shall be sold and delivered by the Auditor to the TIF Parties in exchange for their delivery of their respective Outstanding TIF Note to the Treasurer in accordance with law and the provisions of this Ordinance and the TIF Agreement and payment by the City, according to the percentages set forth in Section 4 of this Ordinance, of an amount needed to pay a portion of the principal and all of the accrued interest due on each Outstanding TIF Note, which

amount shall be determined by the Auditor to be in the best interests of the City. The Auditor shall cause the Series 2020 TIF Notes to be prepared, and have the Series 2020 TIF Notes signed and delivered, together with a true transcript of proceedings with reference to the issuance of the Series 2020 TIF Notes if requested by the TIF Parties, to each of those entities upon its delivery of its Outstanding TIF Note to the Treasurer. The Mayor, the Auditor, the Clerk of Council and other City officials, as appropriate, each are authorized and directed to sign any transcript certificates, financial statements and other documents and instruments and to take such actions as are necessary or appropriate to consummate the transactions contemplated by this Ordinance.

SECTION 6. The proceeds from the sale of the Series 2020 TIF Notes shall be deemed to have been paid into the TIF Fund and those proceeds are appropriated and shall be used to retire the Outstanding TIF Notes.

SECTION 7. The par value to be received from the sale of any renewal notes or bonds and any excess funds resulting from the issuance of the Series 2020 TIF Notes shall, to the extent necessary, be used to pay the principal of and interest on the Series 2020 TIF Notes at maturity and are pledged for that purpose.

SECTION 8. The Series 2020 TIF Notes are special obligations of the City. The principal of and interest on the Series 2020 TIF Notes are payable solely from the proceeds of any bonds (including any renewal bond anticipation notes) and by a pledge of and lien on monies on deposit in the TIF Fund established by the TIF Ordinance and the TIF Agreement. If any monies remain in the TIF Fund following the payment of the principal of and interest on the Series 2020 TIF Notes, then those remaining monies may be used for any other lawful purpose.

The City hereby covenants and agrees to diligently pursue the collection of the Service Payments required pursuant to the TIF Ordinance, including taking all lawful actions necessary to claim and maintain the exemption from real property taxation granted by the TIF Ordinance and taking all lawful actions as are necessary and advisable to collect delinquent Service Payments and to deposit those Service Payments into the TIF Fund for the purpose of paying the principal of and interest on the Series 2020 TIF Notes.

Nothing in this Ordinance or the Series 2020 TIF Notes shall constitute a general obligation debt or tax-supported bonded indebtedness of the City; the general resources of the City shall not be required to be used, and neither the general credit nor taxing power or full faith and credit of the City are or shall be pledged, for the performance of any duty under this Ordinance or the Series 2020 TIF Notes. Nothing in this Ordinance gives the holders of Series 2020 TIF Notes, and they do not have, the right to have excises or taxes levied by the Council for the payment of principal of or interest on the Series 2020 TIF Notes, but the Series 2020 TIF Notes are payable solely from the proceeds of any bonds (including any renewal bond anticipation notes) and the monies on deposit in the TIF Fund, all as provided in this Ordinance, and each Series 2020 TIF Note shall contain a statement to that effect; provided, however, that nothing shall be deemed to prohibit the City, of its own volition, from using to the extent it is lawfully authorized to do so, any other resources or revenues for the fulfillment of any of the terms, conditions or obligations of this Ordinance or the Series 2020 TIF Notes.

SECTION 9. The legal services of the law firm of Squire Patton Boggs (US) LLP are hereby retained. Those legal services shall be in the nature of legal advice and

recommendations as to the documents and the proceedings in connection with the authorization, sale and issuance of the Series 2020 TIF Notes and securities issued in renewal of the Series 2020 TIF Notes and rendering at delivery any related and required legal opinions. In providing those legal services, as an independent contractor and in an attorney-client relationship, that firm shall not exercise any administrative discretion on behalf of this City in the formulation of public policy, expenditure of public funds, enforcement of laws, rules and regulations of the State, any county or municipal corporation or of this City, or the execution of public trusts. For those legal services that firm shall be paid just and reasonable compensation and shall be reimbursed for actual out-of-pocket expenses incurred in providing those legal services. The Auditor is authorized and directed to execute an engagement letter for the retention of those legal services, a form of which is on file with the Clerk of Council and approved as to form. The Auditor is authorized and directed to make appropriate certification as to the availability of funds for those fees and any reimbursement and to issue an appropriate order for their timely payment as written statements are submitted by that firm.

SECTION 10. This Council determines that all acts and conditions necessary to be done or performed by the City or to have been met precedent to and in the issuing of the Series 2020 TIF Notes in order to make them legal, valid and binding special obligations of the City have been performed and have been met, or will at the time of delivery of the Series 2020 TIF Notes have been performed and have been met, in regular and due form as required by law; that the amounts on deposit in the TIF Fund (as provided herein and in the TIF Agreement) are pledged for the timely payment of the principal of and interest on the Series 2020 TIF Notes and that no statutory or constitutional limitation of indebtedness or taxation will have been exceeded in the issuance of the Series 2020 TIF Notes.

SECTION 11. This Council finds and determines that all formal actions of this Council and any of its committees concerning and relating to the passage of this Ordinance were taken in an open meeting of this Council or any of its committees, and that all deliberations of this Council and of any of its committees that resulted in those formal actions were in meetings open to the public, all in compliance with the law, including Section 121.22 of the Ohio Revised Code.

SECTION 12. This Ordinance is declared to be an emergency measure necessary for the immediate preservation of the public peace, health and safety of the City, and for the further reason that this Ordinance is required to be immediately effective in order to issue and deliver the Series 2020 TIF Notes, which is necessary in order to enable the City to retire the Outstanding TIF Notes and thereby preserve its credit; wherefore, this Ordinance shall be in full force and effect immediately upon its passage and approval by the Mayor.

Passed: _____ after _____ reading. Vote: Yeas _____ Nays _____

Approved: _____

President of Council

Clerk: _____

Mayor

Offered by: _____

Second by: _____

Requested by Finance Committee

The foregoing is a true and correct copy of Ordinance ____-20 as passed by the Council of the City of Lancaster, Ohio at its meeting on _____, 2020.

I, Teresa Lee Sandy, Clerk of Council do hereby certify that on _____, 2020 and _____, 2020, the Lancaster Eagle Gazette published the summary of this Ordinance in accordance with Ohio Revised Code 731.24.

Clerk of Council

TEMPORARY ORDINANCE NO. 24-20

PERMANENT ORDINANCE NO. _____

AN ORDINANCE PROVIDING FOR THE ISSUANCE AND SALE OF A REVENUE NOTE IN THE AGGREGATE PRINCIPAL AMOUNT OF THREE HUNDRED THOUSAND TWO HUNDRED SIXTY-FOUR DOLLARS AND EIGHTEEN CENTS (\$300,264.18) TO REIMBURSE FLAGSTAR BANK, FSB FOR A DRAW ON THE LETTER OF CREDIT IN CONNECTION WITH COSTS OF IMPROVING ETY ROAD, MEMORIAL DRIVE AND MICHAELS WAY BY GRADING, WIDENING, PAVING, CURBING, AND IMPROVING BRIDGES AND RAILROAD CROSSINGS, RELOCATING UTILITIES, AND INSTALLING SIDEWALKS, TRAFFIC SIGNALS AND SIGNS, AND WATER, SANITARY AND STORM WATER LINES AND FACILITIES, TOGETHER WITH ALL NECESSARY APPURTENANCES THERETO, AND DECLARING AN EMERGENCY

WHEREAS, pursuant to Ordinance No. 39-06 (the "TIF Ordinance"), passed by this Council on September 11, 2006, the City declared certain improvements to certain property (the "Property") to be a public purpose, exempting portions of the value of those improvements from real property taxes, specified that certain public infrastructure improvements, including the improvements described in Section 1 (the "Improvements"), would benefit that property, requiring the owners of the Property to make service payments in lieu of taxes (the "Service Payments"), creating the Ety Road Municipal Tax Increment Equivalent Fund (the "TIF Fund"), and authorizing a Tax Increment Financing Agreement (the "TIF Agreement") by and among the City, Island Capital Investment Group, LLC ("Island Capital"), Menard, Inc. ("Menard"), RLG Lancaster Ltd. ("RLG Lancaster"), GCG Lancaster Ltd. ("GCG Lancaster"), Anchor Lancaster, LLC ("Anchor Lancaster" and together with RLG Lancaster and GCG Lancaster, "RG/Anchor") and Wal-Mart Stores East, LP ("Wal-Mart", and together with Island Capital, Menard and RG/Anchor, the "TIF Parties"); and

WHEREAS, the City has previously issued general obligation notes and bonds to pay costs of the Improvements as required by the TIF Agreement (such notes and bonds are collectively referred to herein as the "Debt"); and

WHEREAS, pursuant to the TIF Agreement, the City previously drew upon a letter of credit provided by Flagstar Bank, FSB to Island Capital (the "Letter of Credit") for the payment of a portion of the Debt; and

WHEREAS, pursuant to Ordinance No. 20-19 passed by this Council on November 25, 2019, the City issued a note (the "Outstanding Island Capital TIF Note") in the amount of \$315,038.71 dated December 31, 2019 and maturing on December 31, 2020 to reimburse Flagstar Bank, FSB ("Flagstar"), as successor to Island Capital, for the prior draw on the Letter of Credit, being an amount equal to the draw on the Letter of Credit, plus accrued interest, minus any repayments by the City; and

WHEREAS, the Outstanding Island Capital TIF Note is payable solely from amounts on deposit in the TIF Fund and available for that purpose pursuant to Section 4.3 of the TIF Agreement; and

WHEREAS, on December 31, 2020, to the extent amounts on deposit in the TIF Fund are not available to pay the principal of and interest on the Outstanding Island Capital TIF Note, the City is required to issue a new note to Flagstar in an amount equal to the unpaid principal of and interest on the Outstanding Island Capital TIF Note, and such new Island Capital TIF Note is to bear interest at a rate equal to the interest rate on the City's Debt; and

WHEREAS, approximately \$23,674.37 of funds available on deposit in the TIF Fund available to pay a portion of the principal of and all of the interest on the Outstanding Island Capital TIF Note;

NOW, THEREFORE, BE IT ORDAINED by the Council of the City of Lancaster, Fairfield County, Ohio, that:

SECTION 1. It is necessary to issue and this Council determines that a revenue note in the aggregate principal amount of \$300,264.18 (the "Island Capital TIF Note") shall be issued to reimburse Flagstar Bank, FSB for a draw on the Letter of Credit in connection with costs of improving Ety Road, Memorial Drive and Michaels Way by grading, widening, paving, curbing, and improving bridges and railroad crossings, relocating utilities, and installing sidewalks, traffic signals and signs, and water, sanitary and storm water lines and facilities, together with all necessary appurtenances thereto and to retire the Outstanding Island Capital TIF Note and to pay any financing costs. The Island Capital TIF Note shall be secured solely by monies on deposit in the TIF Fund. The Island Capital TIF Note shall be issued pursuant to the Constitution of the State, the Ohio Revised Code and this Ordinance.

SECTION 2. The Island Capital TIF Note shall be dated December 31, 2020 and shall mature on December 31, 2021. The Island Capital TIF Note shall bear interest at a rate of 2.896% per year (computed on the basis of a 360-day year consisting of twelve 30-day months), payable at maturity and until the principal amount is paid or payment is provided for.

SECTION 3. The Treasurer of the City is hereby appointed to act as the initial note registrar and paying agent for the Island Capital TIF Note (the "Paying Agent"). The principal of and interest on the Island Capital TIF Note shall be payable when due in Federal Reserve funds of the United States of America, without deduction for the services of the Paying Agent as paying agent, upon presentation and surrender of the Island Capital TIF Note at the main office of the Paying Agent.

SECTION 4. The Island Capital TIF Note shall be signed by the Mayor and the Auditor, in the name of the City and in their official capacities; provided that either or both of those signatures may be a facsimile. The Island Capital TIF Note shall be issued as a single note to Flagstar, or its successors or assigns, in the aggregate principal amount of the Island Capital TIF Note. The Island Capital TIF Note shall not have coupons attached, shall be numbered as determined by the Auditor and shall express upon its face the purpose, in summary terms, for which it is issued and that it is issued pursuant to this Ordinance.

SECTION 5. The Island Capital TIF Note shall be sold and delivered by the Auditor to Flagstar in exchange for its delivery of the Outstanding Island Capital TIF Note to the Treasurer in accordance with law and the provisions of this Ordinance and the TIF Agreement and payment by the City to Flagstar of an amount needed to pay a portion of the principal and all of the accrued interest due on the Outstanding Island Capital TIF Note, which amount shall be determined by the Auditor to be in the best interests of the City. The Auditor shall cause the Island Capital TIF Note to be prepared, and have the Island Capital TIF Note signed and delivered, together with a true transcript of

proceedings with reference to the issuance of the Island Capital TIF Note if requested by Flagstar. The Mayor, the Auditor, the Clerk of Council and other City officials, as appropriate, each are authorized and directed to sign any transcript certificates, financial statements and other documents and instruments and to take such actions as are necessary or appropriate to consummate the transactions contemplated by this Ordinance.

SECTION 6. The proceeds from the sale of the Island Capital TIF Note shall be deemed to have been paid into the TIF Fund and those proceeds are appropriated and shall be used to retire the Outstanding Island Capital TIF Note.

SECTION 7. The par value to be received from the sale of any renewal notes or bonds and any excess funds resulting from the issuance of the Island Capital TIF Note shall, to the extent necessary, be used to pay the principal of and interest on the Island Capital TIF Note at maturity and are pledged for that purpose.

SECTION 8. The Island Capital TIF Note is a special obligation of the City. The principal of and interest on the Island Capital TIF Note is payable solely from the proceeds of any bonds (including any renewal bond anticipation notes) and by a pledge of and lien on monies on deposit in the TIF Fund established by the TIF Ordinance and the TIF Agreement. If any monies remain in the TIF Fund following the payment of the principal of and interest on the Island Capital TIF Note, then those remaining monies may be used for any other lawful purpose.

The City hereby covenants and agrees to diligently pursue the collection of the Service Payments required pursuant to the TIF Ordinance, including taking all lawful actions necessary to claim and maintain the exemption from real property taxation granted by the TIF Ordinance and taking all lawful actions as are necessary and advisable to collect delinquent Service Payments and to deposit those Service Payments into the TIF Fund for the purpose of paying the principal of and interest on the Island Capital TIF Note.

Nothing in this Ordinance or the Island Capital TIF Note shall constitute a general obligation debt or tax-supported bonded indebtedness of the City; the general resources of the City shall not be required to be used, and neither the general credit nor taxing power or full faith and credit of the City are or shall be pledged, for the performance of any duty under this Ordinance or the Island Capital TIF Note. Nothing in this Ordinance gives the holder of the Island Capital TIF Note, and it does not have, the right to have excises or taxes levied by the Council for the payment of principal of or interest on the Island Capital TIF Note, but the Island Capital TIF Note is payable solely from the proceeds of any bonds (including any renewal bond anticipation notes) and the monies on deposit in the TIF Fund, all as provided in this Ordinance, and the Island Capital TIF Note shall contain a statement to that effect; provided, however, that nothing shall be deemed to prohibit the City, of its own volition, from using to the extent it is lawfully authorized to do so, any other resources or revenues for the fulfillment of any of the terms, conditions or obligations of this Ordinance or the Island Capital TIF Note.

SECTION 9. The legal services of the law firm of Squire Patton Boggs (US) LLP are hereby retained. Those legal services shall be in the nature of legal advice and recommendations as to the documents and the proceedings in connection with the authorization, sale and issuance of the Island Capital TIF Note and securities issued in renewal of the Island Capital TIF Note and rendering at delivery any related and required legal opinions. In providing those legal services, as an independent contractor and in an

attorney-client relationship, that firm shall not exercise any administrative discretion on behalf of this City in the formulation of public policy, expenditure of public funds, enforcement of laws, rules and regulations of the State, any county or municipal corporation or of this City, or the execution of public trusts. For those legal services that firm shall be paid just and reasonable compensation and shall be reimbursed for actual out-of-pocket expenses incurred in providing those legal services. The Auditor is authorized and directed to execute an engagement letter for the retention of those legal services, a form of which is on file with the Clerk of Council and approved as to form. The Auditor is authorized and directed to make appropriate certification as to the availability of funds for those fees and any reimbursement and to issue an appropriate order for their timely payment as written statements are submitted by that firm.

SECTION 10. This Council determines that all acts and conditions necessary to be done or performed by the City or to have been met precedent to and in the issuing of the Island Capital TIF Note in order to make it a legal, valid and binding special obligation of the City have been performed and have been met, or will at the time of delivery of the Island Capital TIF Note have been performed and have been met, in regular and due form as required by law; that the amounts on deposit in the TIF Fund (as provided herein and in the TIF Agreement) are pledged for the timely payment of the principal of and interest on the Island Capital TIF Note and that no statutory or constitutional limitation of indebtedness or taxation will have been exceeded in the issuance of the Island Capital TIF Note.

SECTION 11. This Council finds and determines that all formal actions of this Council and any of its committees concerning and relating to the passage of this Ordinance were taken in an open meeting of this Council or any of its committees, and that all deliberations of this Council and of any of its committees that resulted in those formal actions were in meetings open to the public, all in compliance with the law, including Section 121.22 of the Ohio Revised Code.

SECTION 12. This Ordinance is declared to be an emergency measure necessary for the immediate preservation of the public peace, health and safety of the City, and for the further reason that this Ordinance is required to be immediately effective in order to issue and deliver the Island Capital TIF Note, which is necessary in order to enable the City to retire the Outstanding Island Capital TIF Note and thereby preserve its credit; wherefore, this Ordinance shall be in full force and effect immediately upon its passage and approval by the Mayor.

Passed: _____ after _____ reading. Vote: Yeas _____ Nays _____

Date Approved: _____

President of Council

Clerk: _____

Mayor

Offered by: _____

Second by: _____

Requested by Finance Committee

The foregoing is a true and correct copy of Ordinance _____-20 as passed by the Council of the City of Lancaster, Ohio at its meeting on _____, 2020.

I, Teresa Lee Sandy, Clerk of Council do hereby certify that on _____, 2020 and _____, 2020, the Lancaster Eagle Gazette published the summary of this Ordinance in accordance with Ohio Revised Code 731.24.

Clerk of Council