

**BOARD OF EDUCATION OF THE WORTHINGTON CITY SCHOOL DISTRICT  
FRANKLIN COUNTY, OHIO**

April 25, 2022

**IN THE MATTER OF APPROVING A TAX INCREMENT FINANCING AGREEMENT  
AND A COMPENSATION AGREEMENT AND WAIVING THE NOTICE PERIOD  
REQUIREMENT.**

This day the Board of Education of the Worthington City School District met in regular session,  
and \_\_\_\_\_ moved the adoption of the following:

**RESOLUTION # 22-\_\_\_\_\_**

WHEREAS, to induce DRP Worthington, LP (the “Developer”) to redevelop the property at 150 W. Wilson Bridge Road, currently home to The Shops at Worthington Place, into the High North redevelopment project (the “High North Project”), to create hundreds of employment opportunities within the City of Worthington and to improve the economic climate of the City, the City desires to grant a 30-year, 100% tax increment financing exemption for the purpose of constructing an approximately 3-4 story, 375-space structured parking garage (the “Phase One Public Improvements”), pursuant to a Tax Increment Financing Agreement to be entered into between the City of Worthington (the “City”) and the Developer; and,

WHEREAS, the proposed Tax Increment Financing exemption is located in the Worthington City School District (the “School District”); and

WHEREAS, the Developer plans to invest more than \$100 million in totality with the High North Project to attract future tenants and new tax revenues, and the incremental increase in property valuation of this initial phase, to be located is expected to be approximately \$20.7 million; and,

WHEREAS, the City is required to obtain approval of the TIF Exemption by the Board of Education of the Worthington City School District (the “Board”), pursuant to ORC §5709.40, namely that 100 percent of the taxes on the Property will be exempted from taxation under this Agreement for a period of 30 years; and,

WHEREAS, Ohio Revised Code (“ORC”) §§5709.40, 5709.42 and 5709.43 provide that the City may, under certain circumstances, declare improvements to real property within the City to be a public purpose, thereby exempting those improvements from real property taxation, as well as describe certain public infrastructure improvements to be made that directly benefit the real property, provide for payments in lieu of taxes by the owners of the real property, and establish a municipal public improvement tax increment equivalent fund; and,

WHEREAS, the City desires to encourage the redevelopment of the real property located at 150 W. Wilson Bridge Road to achieve the economic development goals of the City in a manner that is consistent with the existing neighborhood; and,

WHEREAS, the Developer, and any related entity formed for the specific purpose of developing the property, desires to construct a mixed-use development featuring restaurant, retail, and entertainment space, and approximately two hundred thousand (200,000) square feet of Class A office space, supported by multiple structured parking garages, over two phases (the “Project”),

beginning initially with an approximately 75,000 square foot office building, a 3-4 story parking garage, and a newly constructed entertainment building along the southern portion of the Property (collectively, “High North Phase One”); and, and,

WHEREAS, in connection with the construction of High North Phase One, the City and the Developer desire to execute a tax increment financing agreement which would provide for the construction of High North Phase One and for the financing of certain Public Infrastructure Improvements, as defined below and in the TIF Agreement; and,

WHEREAS, pursuant to ORC §5709.40(D)(3), the City and Board intend to enter into a separate Compensation Agreement (the “Compensation Agreement”) as described substantially in the form attached hereto as EXHIBIT A; and,

WHEREAS, the City is desirous of supporting High North Phase One with TIF funding to construct a single, approximately 3-4 story, 375-space public parking garage at the central/southern portion of the property; and,

WHEREAS, it is necessary and appropriate and in the best interests of the City to provide for the payment of annual service payments in lieu of taxes by the current and future owners of the property with respect to the Improvements pursuant to ORC §5709.42; and,

WHEREAS, the designated public infrastructure improvements, namely the approximately 3-4 story, 375-space parking garage, will directly benefit the redevelopment efforts; and,

WHEREAS, notice of the City’s intention to declare the Improvements exempt from real property taxes and to hold a public hearing for the consideration of a future Ordinance has been delivered to the Board in accordance with ORC §5709.40(D)(2); and,

WHEREAS, pursuant to ORC §5709.40(D)(1), the City’s Ordinance will direct the Service Payments to be paid to the Board at a rate of 25% of the taxes that would have been payable to the Board if the Improvements had not been exempted from taxation, with the remaining 75% of the Board’s taxes being deposited into the City’s TIF Fund. Such payments and their distribution to the Board are described under ORC §5709.42; and,

WHEREAS, the City intends to apply for exemptions from taxation on behalf of the Owner or Owners of the property, pursuant to ORC §5709.911; and,

WHEREAS, while the City provided the Board with notice of the proposed TIF Exemption on April 18, 2022, this notice period does not meet the forty-five business day requirement set forth under ORC §5709.40; and,

WHEREAS, the City estimates that through a combination of added property tax revenues from the non-TIF (25%) construction of the office building and entertainment space, along with the sharing of income tax revenue from office workers located at the project site as outlined in the Compensation Agreement, the School District will see a net increase in revenue; and,

WHEREAS, in order for the City to enter into the TIF Agreement with DRP Worthington, the School District, through a resolution duly adopted by its Board of Education, must approve the TIF Agreement between the City and the Developer, the Compensation Agreement between the City and the Board, and waive the requirement of ORC Section 5709.40(D)(2) that the City must

certify a copy of the TIF Agreement to the School District no later than 45 days prior to the City Council of the City approving the TIF Agreement and Ordinance;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF EDUCATION OF THE WORTHINGTON CITY SCHOOL DISTRICT, FRANKLIN COUNTY, STATE OF OHIO, THAT:

Section 1. This Board hereby approves the Tax Increment Financing exemption to be provided by the City to DRP Worthington, LP, under the TIF Agreement and Compensation Agreement, which TIF Agreement and Compensation Agreement shall be in substantially the forms previously received by the School District and which are now on file with this Board, together with any changes approved by the Superintendent and/or Treasurer and not materially adverse to the Board.

Section 2. This Board hereby waives all notice requirements under Revised Code Sections 5709.40(D)(2) or any other law with respect to the TIF Agreement and the Tax Increment Financing exemption.

Section 3. This Board authorizes and directs the Superintendent and/or the Treasurer to certify a copy of this Resolution to the City Council Clerk of the City and otherwise 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 TIF Agreement and Compensation Agreement.

Section 4. 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 5. This Resolution shall be in full force and effect immediately upon its adoption.

\_\_\_\_\_ seconded the motion and, the roll being upon the question, the vote resulted as follows:

|             |     |     |         |             |
|-------------|-----|-----|---------|-------------|
| Mrs. Lloyd  | Yea | Nay | Abstain | Not Present |
| Mrs. Hudson | Yea | Nay | Abstain | Not Present |
| Mrs. Davis  | Yea | Nay | Abstain | Not Present |
| Mrs. Best   | Yea | Nay | Abstain | Not Present |
| Mr. Wilson  | Yea | Nay | Abstain | Not Present |

\_\_\_\_\_  
Amy Lloyd, President of the Board of Education of the Worthington City School District

I certify that this is a true and complete copy of the Resolution adopted by a majority of the full membership of the Board of Education of the Worthington City School District at its meeting held on April 25, 2022 as was recorded by me in the official proceedings of the Board.

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TJ Cusick, Treasurer of the Worthington City School District

**EXHIBIT A**  
**COMPENSATION AGREEMENT**  
[Enclosed]

# COMPENSATION AGREEMENT

Between

THE CITY OF WORTHINGTON

And

THE BOARD OF EDUCATION OF THE WORTHINGTON CITY SCHOOL DISTRICT

This Compensation Agreement (the “**Compensation Agreement**”) between the CITY OF WORTHINGTON, a municipal corporation with its offices at 6550 North High Street, Worthington, Ohio 43085 (the “**City**”), and the BOARD OF EDUCATION OF THE WORTHINGTON CITY SCHOOL DISTRICT, a public school district with its principal offices at 200 East Wilson Bridge Road, Worthington, Ohio 43085 (the “**Board**”), (both collectively referred to herein as the “**Parties**”) sets forth the complete understanding of the Parties under Ohio Revised Code (“**ORC**”) §5709.82 as to any compensation of tax revenue foregone by the Board from the City granting an exemption from real property taxes in support of the construction of certain improvements to real property using tax increment financing pursuant to and in accordance with ORC Sections 5709.40, 5709.42 and 5709.43 (the “**TIF Statutes**”).

## WITNESSETH:

WHEREAS, the Worthington City Council has, pursuant to TIF Statutes, and its Ordinance \_\_-2022 (the “**Approval Ordinance**”), declared improvements to real property located at 150 W. Wilson Bridge Road, City of Worthington, Franklin County (the “**Property**”) to be a public purpose (the “**Improvements**”, as further defined in ORC §5709.40) and exempting those Improvements from real property taxation; and,

WHEREAS, the Approval Ordinance thereby provided a 100 percent, 30-year exemption from real property taxes pursuant to the TIF Statutes (the “**TIF Exemption**”) to DRP Worthington, LP, and/or a related entity formed for the specific purpose of developing said Property (the “**Owner**”), provided for payments in lieu of taxes by the Owner, established a parcel tax increment equivalent fund (the “**TIF Fund**”), and authorized the City Manager to enter into a written agreement for the Property to be exempted from taxation; and,

WHEREAS, the City is desirous of facilitating and supporting the Owner’s proposed Phase 1 redevelopment of the Shops at Worthington Place into “High North”, a mixed-use development featuring new and renovated restaurant, retail, or entertainment space, and approximately seventy-five thousand (75,000) square feet of Class A office space on the Property (the “**Project**”); and,

WHEREAS, the Improvements to be completed under the Project represent a good source of incremental increase in property tax revenue and via the use of the TIF Exemption, the City can capture and redirect tax revenue to assist with the substantial costs of constructing a multi-level, approximately 375-space public parking garage; and,

WHEREAS, in adopting the Approval Ordinance, the City is required to obtain approval of the TIF Exemption by the Board, pursuant to ORC §5709.40(D)(2), since 75 percent or more of the taxes levied on the Improvements, for a period longer than 10 years, are to be exempted from taxation; and,

WHEREAS, the City provided the Board with notice of the proposed TIF Exemption on April 18, 2022, prior to the City's adoption of the Approval Ordinance, pursuant to the requirements set forth under ORC §5709.83; and,

WHEREAS, the Parties intend this Compensation Agreement to fully describe and set forth their mutual understanding as to the obligations of the City under ORC §5709.82 relating to compensation to the Board for so long as the Property remains exempt pursuant to the TIF Exemption.

**NOW THEREFORE**, the Parties hereinafter set forth their mutual understanding as follows:

**§1. Board Compensation Amount.** For each exemption year for which the Owner or any future owners receive a real property tax exemption pursuant to the TIF Statutes and the Approval Ordinance, the City shall make payments (the "**Compensation Payments**") to the Board as follows. For avoidance of doubt, all references to income tax collections mean gross income tax collections, and any offsets, credits, or deductions provided by the City with respect to income tax generated from the Project shall not impact the compensation of the Board hereunder.

- (A) During the first five years of the TIF Exemption, no income tax sharing will occur.
- (B) During years 6-10 of the TIF Exemption, 40% of income tax collections collected by the City from the Property, less any income tax refunds.
- (C) During years 11-30 of the TIF Exemption, 20% of income tax collections collected by the City from the Property, less any income tax refunds.
  - a. In the event that income tax collections exceed \$1,000,000 in a particular year, the sharing rate will increase to 25%, less any income tax refunds.
  - b. In the event that income tax collections are less than \$350,000 in a particular year, no income tax sharing will occur.
- (D) City shall make the Board whole for any deposits to the TIF Fund in excess of 110% of the annual debt service obligation, as identified in Exhibit D of the Tax Increment Financing Agreement between the City and DRP Worthington, LP.
  - a. In the event that any surplus TIF Fund balance exceeds \$350,000, the City shall compensate the Board for the excess of \$350,000.

**§2. Timing of the Payments.** The City shall make one Compensation Payment to the Board required by §1, in the amounts set forth thereunder, if any, on or before May 1<sup>st</sup> of the calendar year following the first tax year for which the Owner or any future owners receive a real property tax exemption and shall continue for so long as the TIF Exemption provided for by the Approval

Ordinance remains in effect. The City's finance director and the Board's treasurer shall cooperate in calculating the Compensation Payments to ensure accuracy, fairness and that the spirit of this Compensation Agreement is maintained.

**§3. Board Consents and Waivers.** In consideration of the compensation to be provided to it under this Compensation Agreement, the Board hereby:

- (i) approves a 30-year, 100% exemption and will receive service payments in an amount equal to 25% of the real property taxes they would have received from the Project, as granted under the Approval Ordinance for the Property;
- (ii) agrees not to seek a reduction in the real property valuation of the Property (or to cooperate with respect to the same) for so long as the TIF is in effect without prior written consent of the City;
- (iii) waives any notice requirements set forth in ORC §§5709.40, 5709.83 and 5715.27 with respect to the TIF Exemption; and
- (iv) waives any defects or irregularities relating to the exemption from taxation of the Property.

**§4. Miscellaneous.** In connection with the foregoing, the Board and the City further acknowledge and agree:

- (i) The approvals and waivers of the Board hereunder are expressly limited to the portion of the Property identified in the Approval Ordinance (i.e., the central and southernmost portion of the Property).
- (ii) The approvals and waivers of the Board hereunder are expressly contingent on the completion of the Project with approximately seventy-five thousand (75,000) square feet of Class A office space.
- (iii) The City shall pay, or cause to be paid through the issuance of any debt obligations to pay costs of public infrastructure improvements in connection with the Project or by the developer of the Project directly, any professional fees reasonably incurred by the Board in connection with this Compensation Agreement, if such funds are available at closing.

**§5. Application of ORC §5709.82.** The Board acknowledges that this Compensation Agreement comprises the entirety of compensation for foregone property tax revenue to which the Board may be entitled in connection with the TIF Exemption granted pursuant to the TIF Statutes. The treatment of any and all such compensation provided herein fully addresses the rights, obligations and responsibilities of the Parties under ORC §5709.82.

**§6. Amendments.** This Compensation Agreement may be amended or modified by the Parties, only in writing, signed by the Parties, or by applicable law changes.

**§7. Entire Agreement.** This Compensation Agreement sets forth the entire understanding between the Parties as to the subject matter contained herein 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.

**§8. Notices.** All payments, certificates, reports and notices which are required to or may be given pursuant to the provisions of this Compensation Agreement shall be sent by regular mail, postage prepaid, and shall be deemed to have been given or delivered when so mailed to the following addresses:

City: City of Worthington  
c/o Economic Development Director  
6550 North High Street  
Worthington, Ohio 43085

and

Law Director  
City of Worthington  
370 Highland Avenue  
Worthington, Ohio 43085

with a copy to:

Bricker & Eckler LLP  
Attn: Robert F. McCarthy  
100 South Third Street  
Columbus, Ohio 43215

Board: Worthington City Schools Board of Education  
c/o Treasurer  
200 East Wilson Bridge Road  
Worthington, Ohio 43085

with a copy to:

Jeff Rich  
Rich and Gillis Law Group  
6400 Riverside Drive, Suite D  
Dublin, Ohio 43017-5197

Any party may change its contact or address for receiving notices and reports by giving written notice of such change to the other parties.

**§8. Severability of Provisions.** The invalidity of any provision of this Compensation 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.

In witness thereof, the parties have caused this Compensation Agreement to be executed as of \_\_\_\_\_.

CITY OF WORTHINGTON

BOARD OF EDUCATION OF THE  
WORTHINGTON CITY SCHOOL  
DISTRICT

By: \_\_\_\_\_  
Matthew H. Greeson, City Manager

By: \_\_\_\_\_

Its: \_\_\_\_\_

Approved as to form:

\_\_\_\_\_  
Tom Lindsey  
City of Worthington, Ohio