

RECORD OF ORDINANCES

GOVERNMENT FORMS & SUPPLIES (844) 224-3338 FORM NO. 30043

Ordinance No. 5-2020 Passed MARCH 16, 2020

VILLAGE OF NAVARRE
STARK COUNTY, OHIO
ORDINANCE NO. 5-2020

AN ORDINANCE AMENDING ORDINANCE 17-2019, WHICH ENACTED
A TAX COMPENSATION FORMULA FOR VILLAGE OF NAVARRE
AND PERRY LOCAL SCHOOL DISTRICT WITH RESPECT TO
HENDRICKSON FACILITY IN PROSPECT PARK

Whereas, on April 8, 2019, Village Council approved an Ohio Enterprise Zone Agreement, benefitting Hendrickson U. S. A., LLC and Navarre Facility, LLC, which included a sixty percent (60 %) property tax abatement for the tax years 2021-2030 (payable in 2022-2031), and

Whereas, to foster job creation and job retention the Village of Navarre entered into a job creation agreement with Hendrickson U.S.A., LLC, pursuant to Ordinance 7-2019, and

Whereas, the territory covered by said Ohio Enterprise Zone Agreement is within the Perry Local School District, and is called herein "the Hendrickson development," and

Whereas, Ohio Revised Code, Sec. 5709.82 requires that a municipality and school district attempt to negotiate a tax sharing agreement with respect to income taxes collected from new employees working within the property covered by the tax abatement, and

Whereas, the Village of Navarre made a written proposal for a tax sharing agreement, to which no response has been received from the Perry Local School District Board of Education, and

Whereas, to assist in and encourage economic development of the new Prospect Park industrial park, of which the Hendrickson development is the only current and projected user, the Village of Navarre rebuilt its water treatment system and replaced its 350,000 gallon elevated water tank with a larger 500,000 gallon elevated water tank to accommodate new industrial development in Prospect Park, and

Whereas, the new water treatment system and elevated water tank have been financed with long term bonds that will be repaid throughout the projected property tax abatement period, said bond service costing the Village of Navarre approximately \$101,900 annually, and

Whereas, the new elevated water tank cost approximately thirty-four percent (34 %) of the entire water treatment system project cost, and thus this thirty-four percent (34 %) directly benefits the Hendrickson project, and

Whereas, on or about July 1, 2019, the Village of Navarre imposed a quarter percent (1/4 %) additional income tax, over and above its one-and-half percent (1-1/2 %) income tax, said additional income tax being specifically passed as a tax dedicated to Navarre's streets and roads and related infrastructure, and thus such dedicated additional income tax is not susceptible to income tax sharing under Ohio Revised Code, Sec. 5709.82, and

Whereas, on October 7, 2019, the Village of Navarre enacted Ordinance 17-2019, providing a tax compensation formula for the Village and the Perry Local School District, and

Whereas, it is necessary to clarify that which was implied in Ordinance 17-2019, that income tax sharing applies only to employee income taxes received net of income tax credits paid pursuant to the job creation agreement with Hendrickson, U.S.A., LLC, and

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Whereas, it is the intent of Village Council to provide for income tax sharing that is equitable and consistent with Ohio Revised Code, Sec. 5709.82,

Now Therefore, the Village Council of Navarre, Ohio Ordains as follows:

Section 1 – No part of the dedicated additional one-quarter percent (1/4 %) tax shall be shared, and

Section 2 – The regular one-and-half percent (1-1/2 %) income tax that is collected from new employees net of tax credits remitted to Hendrickson U.S.A., LLC pursuant to the job creation agreement on the Hendrickson project during the years 2021-2030 shall be shared equally with Perry Local School District, after first deducting the lesser of \$34,650 (annually) or thirty-five percent of the net regular income tax collected from new employees on the Hendrickson project (annually), and

Section 3 – Tax sharing payments will be made annually by the Clerk-Treasurer to the Perry Local School District, starting December 31, 2021 and continuing through December 31, 2030, with each annual payment being based upon actual taxes received and those estimated to be received by the year’s end, net of tax credits remitted to Hendrickson U. S. A., LLC pursuant to the job creation agreement on the Hendrickson project, with adjustment for actual receipts to be reflected in the following annual payment. A final payment to adjust for actual receipts may be made in early 2031.

Section 4 – To the extent any part of Ordinance 15-2019 is inconsistent with this Ordinance 5-2020, the language of this Ordinance 5-2020 controls.

This ordinance is hereby declared to be an emergency, as it relates to the fixing of income tax sharing between the Village and the Perry Local School District prior to the first payrolls of Hendrickson U.S.A., LLC within the Village, and is thus approved by Village Council with the requisite majority required for adopting an emergency ordinance, and waiving the three readings rule. This ordinance shall take effect and be in force immediately upon its adoption by Council and approval by the Mayor.

APPROVED: Robert L. Benson
ROBERT L. BENSON, MAYOR

DATE: March 16, 2020

ATTEST: Anne L. Johnson
ANNE L. JOHNSON, CLERK TREASURER