

AN ORDINANCE CREATING THE SANDRIDGE AND HARBOR CREST TAX INCREMENT FINANCING INCENTIVE DISTRICTS, DECLARING IMPROVEMENTS TO THE PARCELS WITHIN EACH INCENTIVE DISTRICT TO BE A PUBLIC PURPOSE AND EXEMPT FROM REAL PROPERTY TAXATION, REQUIRING THE OWNERS OF THOSE PARCELS TO MAKE SERVICE PAYMENTS IN LIEU OF TAXES, ESTABLISHING A MUNICIPAL PUBLIC IMPROVEMENT TAX INCREMENT EQUIVALENT FUND FOR THE DEPOSIT OF THOSE SERVICE PAYMENTS, AUTHORIZING SCHOOL COMPENSATION PAYMENTS, SPECIFYING THE PUBLIC INFRASTRUCTURE IMPROVEMENTS THAT BENEFIT OR SERVE PARCELS IN THE INCENTIVE DISTRICT, AND DECLARING AN EMERGENCY.

WHEREAS, this Council desires to facilitate the development of certain public infrastructure relating to two residential subdivisions with approximately 101 single-family homes within the City (the “Project”); and

WHEREAS, this Council, pursuant to ORC Sections 5709.40, 5709.42 and 5709.43 (collectively, the “TIF Act”), is authorized to declare improvements to real property to be a public purpose, exempt those improvements from real property taxation, and require owners of the real property to make service payments in lieu of taxes in an amount equal to such exempted taxes and require the distribution of a portion of the service payments to the Avon Lake City School District and the Lorain County Joint Vocational School; and

WHEREAS, to facilitate the development of the Project and pay the associated costs of the necessary public infrastructure improvements from service payments in lieu of taxes, this Council has determined to create the Sandridge and Harbor Crest Incentive District #1 and the Sandridge and Harbor Crest Incentive District #2 (each an “Incentive District” and collectively the “Incentive Districts”) pursuant to the TIF Act, the boundaries of which shall be coextensive with the boundaries of, and will include, the parcels of real property within each Incentive District specifically identified and depicted in Exhibit A attached hereto (as currently or subsequently configured, the “Parcels”, with each of those parcels referred to herein individually as a “Parcel”);

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF  
THE CITY OF AVON LAKE, STATE OF OHIO, THAT:

SECTION 1. Incentive District Findings and Determinations; Creation of Incentive Districts. This Council hereby: (i) adopts the Economic Development Plan for the Incentive Districts now on file with the Clerk of the City Council, (ii) accepts and adopts the City Engineer’s certification to this Council and the City Engineer’s findings set forth therein (a) that the public infrastructure serving the Incentive Districts is inadequate to meet the development needs of the Incentive Districts as evidenced by the Economic Development Plan and (b) that each Incentive District is less than 300 acres in size and enclosed by a contiguous boundary, (iii) finds and

determines that the Project will place additional demand on the Public Infrastructure Improvements, (iv) finds and determines that the City sent written notice of the public hearing regarding this Ordinance by first class mail to each owner of real property within each proposed Incentive District at least 30 days prior to such hearing, which notice included a map of the proposed Incentive District as well as the overlay area required by ORC Section 5709.40(C)(2), (v) finds and determines that this Council has not received a request from the owner of any real property within any proposed Incentive District to exclude that owner's property from the Incentive District, (vi) finds and determines that notice of this Ordinance has been delivered to the Avon Lake City School District and the Lorain County Joint Vocational School in accordance with and within the time periods prescribed in ORC Sections 5709.40 and 5709.83, and (vii) finds and determines that notice of this Ordinance has been delivered to the Lorain County Commissioners in accordance with and within the time periods prescribed in the TIF Act. This Council further finds that the sum of the taxable value of real property in the Incentive Districts for tax year 2024 and the taxable value of all real property in the City that would have been taxable in tax year 2024 were it not for the fact that the property was in an existing incentive district and therefore exempt from taxation, does not exceed twenty-five percent of the taxable value of real property within the City for tax year 2024. Pursuant to the TIF Act, this Council creates the Incentive Districts, the boundaries of which are coextensive with the boundaries of, and include, the Parcels specifically identified and depicted in Exhibit A attached hereto.

**SECTION 2. Public Infrastructure Improvements.** This Council designates the following public infrastructure improvements, together with any public infrastructure improvements hereafter designated by Ordinance, as public infrastructure improvements made, to be made or in the process of being made by the City that benefit or serve, or that once made will benefit or serve, the Parcels in each Incentive District (the "Public Infrastructure Improvements"): roadway improvements, water system improvements, sanitary sewer improvements, storm drainage improvements, pedestrian sidewalks, traffic control devices, and bike paths, street lights, gas facilities, electrical facilities, parks and recreation facilities located within one mile of any Incentive District, and all appurtenances thereto. The costs of the improvements include but are not limited to, those costs listed in ORC Section 133.15(B).

**SECTION 3. Life of Incentive Districts; Authorization of Tax Exemption.** The life of each Incentive District commences with the first tax year that begins after the effective date of this Ordinance and in which an Improvement (as defined below) attributable to a new structure would first appear on the tax list and duplicate of real and public utility property for any Parcel within the applicable Incentive District were it not for the exemption granted in this Ordinance and ends on the earlier of (a) 30 years after such commencement or (b) the date on which the City can no longer require service payments in lieu of taxes, all in accordance with the requirements of the TIF Act (the "Incentive District Life").

Pursuant to and in accordance with the provisions of ORC Section 5709.40(C), this Council hereby declares that the increase in assessed value of each Parcel subsequent to the effective date of this Ordinance (which increase in assessed value is hereinafter referred to as the "Improvement," as defined in ORC Section 5709.40(A)) is a public purpose, with 100% of such Improvement to each Parcel exempt from taxation for the Incentive District Life for the applicable Incentive District.

SECTION 4. Service Payments and Property Tax Rollback Payments. Pursuant to ORC Section 5709.42, the owner of each Parcel is hereby required to make annual service payments in lieu of taxes with respect to the Improvement to that Parcel to the Lorain County Treasurer (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 for real property taxes (collectively, the “Service Payments”), 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 it were not exempt from taxation pursuant to Section 3 of this Ordinance. The Service Payments, and any other payments with respect to each Improvement that are received by the County Treasurer in connection with the reduction required by ORC Sections 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”), will be deposited and distributed in accordance with Section 6 of this Ordinance.

SECTION 5. TIF Fund. This Council hereby establishes the Sandridge and Harbor Crest Incentive District Municipal Public Improvement Tax Increment Equivalent Fund (the “TIF Fund”). The TIF Fund shall be maintained in the custody of the City and shall receive all distributions to be made to the City pursuant to Section 6 of this Ordinance. Those Service Payments and Property Tax Rollback Payments received by the City with respect to the Improvement of each Parcel and so deposited pursuant to the TIF Act shall be used solely for the purposes authorized in the TIF Act and this Ordinance (as it may be amended or supplemented). The TIF Fund shall remain in existence so long as such Service Payments and Property Tax Rollback Payments are collected and used for the aforesaid purposes, after which time the TIF Fund shall be dissolved and any incidental surplus funds remaining therein transferred to the City’s General Fund, all in accordance with the TIF Act.

SECTION 6. Distributions; Payment of Costs. Pursuant to the TIF Act, during the Incentive District Life for the Incentive District, the County Treasurer is requested to distribute the Service Payments and the Property Tax Rollback Payments as follows: (i) first to the Avon Lake City School District and the Lorain County Joint Vocational School, each an amount equal to the amount the respective school district would otherwise have received as real property tax payments (including the applicable portion of any Property Tax Rollback Payments) derived from the Improvement to the parcels located within the school districts if the Improvement had not been exempt from taxation pursuant to this Ordinance, and (ii) second, to the City for deposit into the TIF Fund for payment of costs of the Public Infrastructure Improvements, including, without limitation, debt charges on any notes or bonds issued to pay or reimburse finance costs or costs of those Public Infrastructure Improvements. The distribution from the County Treasurer to the City required under this Section is requested to be made at the same time and in the same manner as real property tax distributions. The City shall make all distributions requested under clause (i) of this Section to the extent not made by the County Treasurer.

SECTION 7. Further Authorizations. This Council hereby authorizes and directs the Mayor, the Director of Finance, the Director of Law, the Community Development Director, the Clerk of Council, or other appropriate officers of the City to deliver a copy of this ordinance to the Ohio Department of Development and to make such arrangements as are necessary and proper for collection of the Service Payments. This Council further authorizes the Mayor, the Director of

Finance, the Director of Law, the Community Development Director, the Clerk of Council, or other appropriate officers of the City to prepare and sign all agreements and instruments and to take any other actions as may be appropriate to implement this Ordinance.

SECTION 8: Compliance with Open Meeting Requirements. This Council finds and determines that all formal actions of this Council and of any of its committees concerning and relating to the passage of this Ordinance were taken in an open meeting of this Council or 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.

SECTION 9: Captions and Headings. The captions and headings in this Ordinance are solely for convenience of reference and in no way define, limit or describe the scope or intent of any Sections, subsections, paragraphs, subparagraphs or clauses hereof. Reference to a Section means a section of this Ordinance unless otherwise indicated.

SECTION 10: Declaration of Emergency; Effective Date. 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 increase Service Payments available to the City to support public infrastructure projects; wherefore, this Ordinance shall be in full force and effect immediately upon its passage and approval by the Mayor.

**[Balance of Page Intentionally Left Blank]**

1<sup>st</sup> Reading: 10/27/2025

2<sup>nd</sup> Reading: 11/10/2025

3<sup>rd</sup> Reading:

PASSED: 12/15/2025

/s/ Jennifer J. Fenderbosch  
President of Council

POSTED: 12/19/2025

APPROVED: 12/16/2025

ATTEST: /s/ Valerie E. Rosmarin  
Clerk of Council

/s/ Mark A. Spatzel  
Mayor

I, Valerie Rosmarin, Clerk of Council of the City of Avon Lake, Ohio, do hereby certify that the foregoing is a true and accurate copy of Ordinance No. 25-169 passed on December 15, 2025, by the Avon Lake City Council.

/s/ Valerie E. Rosmarin  
Clerk of Council  
City of Avon Lake, Ohio

## EXHIBIT A

### IDENTIFICATION AND MAPS OF THE INCENTIVE DISTRICTS

The areas outlined in yellow and blue on the following two maps identify the Incentive Districts

