ORDINANCE NO. 8 2008

AN ORDINANCE AUTHORIZING TERMINATION OF A PROPERTY TAX EXEMPTION GRANTED PURSUANT TO SECTION 5709.40 OF THE OHIO REVISED CODE

WHEREAS, this City Council (the "Council") of the City of Montgomery, Ohio (the "City") previously adopted Ordinance No. 9-1995 on March 22, 1995, attached hereto as Exhibit A, which declared certain improvements to parcels of real property located in the City of Montgomery, Ohio to be a public purpose under Section 5709.40(B) of the Ohio Revised Code and exempted such improvements from real property taxation for a period of twenty years commencing March 1995; and

WHEREAS, the State Tax Commissioner previously approved the exemption application filed with respect to such property tax exemptions for the parcels 603-14-07, 603-14-11, 603-14-12, 603-14-13, 603-14-14, 603-14-16, and 603-14-16, see Exhibit B attached hereto; and

WHEREAS, pursuant to Ordinance No. 9-1995 and Section 5709.43 et seq. of the Ohio Revised Code the City created the Municipal Public Improvement Tax Increment Equivalent Fund (the "Ohio National TIF Fund") in connection with the exemption of real property taxes on certain property in the City; and

WHEREAS, the City heretofore authorized, sold and delivered its $3,490,000 Real Estate Acquisition Bonds dated July 1, 1995 (the "1995 Bonds"), to finance the cost of real estate acquisitions and street improvements, which constituted the public improvements pursuant to Ordinance No. 9-1995; and

WHEREAS, the City also heretofore authorized, sold and delivered its $7,895,000 Various Purpose Refunding Bonds, Series 2003 dated June 1, 2003, (the "2003 Bonds") which were issued in part to refund the 1995 Bonds. Of the portion of the 2003 Bonds issued to refund the 1995 Bonds, $2,175,000 remains outstanding; and

WHEREAS, the City currently has a balance of $2,499,355.69 in its TIF Fund from service payments in lieu of taxes pursuant to Section 5709.42; and

WHEREAS, the City intends to pay the principal of and interest on the portion of the 2003 Bonds issued to refund the 1995 Bond when the same becomes due until December 1, 2013, and to provide for the payment of the remaining balance plus redemption premium if any on December 1, 2013, by the deposit into an escrow fund of moneys from the City's Municipal Public Improvement Tax Increment Equivalent Fund, received by the City from service payments in lieu of taxes, see Ordinance No. 7, 2008 attached hereto; and

WHEREAS, upon defeasance of the portion of the 2003 Bonds issued to refund the 1995 Bonds, the public improvements provided for by Ordinance No. 9-1995 will have been paid for and no other debt is outstanding, which is payable from the Ohio National TIF Fund; and

WHEREAS, pursuant to Section 5709.40 of the Ohio Revised Code and Ordinance No. 9-1995 the exemption from real property taxes granted pursuant to Ordinance No. 9-1995 terminates upon the earlier of the date that is twenty years from the commencement date of the exemption or the date upon which all public improvements have been paid for; and

NOW, THEREFORE, BE IT ORDAINED, by the Council of the City of Montgomery, (hereinafter called the "City"), County of Hamilton, Ohio:

SECTION 1. That it is hereby determined to be necessary to terminate the exemption from real property taxes granted by Ordinance No. 9-1995 and the Journal Entry (Exhibit B) for the parcels 603-14-07, 603-14-11, 603-14-12, 603-14-13, 603-14-14, 603-14-16, and 603-14-16, upon defeasance of the portion of the outstanding 2003 Bonds which were issued to refund the 1995 Bonds.

SECTION 2. That upon defeasance of the portion of the 2003 Bonds issued to refund the 1995 Bonds, the Finance Director is hereby authorized and directed to notify the County Auditor and the State Tax Commissioner that such Bonds have been defeased and that the public improvements have been paid for and such exemption should be terminated.

SECTION 3. That the Finance Director is further authorized and directed to give notice of the termination of such real property tax exemption to the affected property owners and the Sycamore Community City School District.

SECTION 4. That the Clerk of Council is hereby directed to forward a certified copy of this ordinance to the county auditor.

SECTION 5. That it is found and determined that all formal actions of this Council concerning and relating to the adoption of this ordinance were adopted in an open meeting of this council, and that all deliberations of this council and of any of its

committees that resulted in such formal action, were in meetings open to the public, in compliance with the law.

SECTION 6. That this Ordinance shall take effect at the earliest date permitted by law.

PASSED: August 6, 2008

ATTEST: Susan J. Hamm
Susan J. Hamm, Clerk of Council

Gerri Harbison
Gerri Harbison, Mayor

APPROVED AS TO FORM

Terrence M. Donnellon, Law Director