

Special

December 14

2010

Ontario City Council met in special session on December 14, 2010, in the City Offices, with Council President Daniel Zeiter presiding. The meeting opened at 7:13 p.m. with the Pledge of Allegiance.

The following persons were in attendance when roll was called: Council members Paul Williams, Larry Arnold, Charlotte Hellinger, Leon Blackwell, Mark Weidemyre, Barry Lewis and Joseph W. Cinadr; Mr. Zeiter, Mayor Larry Collins, Law Director Allan Sowash and Service-Safety Director Roger Heston. Also in attendance were Auditor Jane Hammond, Director of Engineering Jerrod Swinehart, Clerk of Council Cathy VanAuker, and interested citizens.

Mr. Zeiter stated the purpose of the special meeting was to address the one piece of legislation listed on the Agenda.

RESOLUTION NO. 10-16

A RESOLUTION APPROVING AND AUTHORIZING THE EXECUTION AND DELIVERY OF A COOPERATIVE AGREEMENT BY AND AMONG THE CITY OF ONTARIO, THE COUNTY OF RICHLAND AND CALISOLAR, INC, OR AN ENTITY CONTROLLED BY CALISOLAR INC., AND DECLARING AN EMERGENCY.

Mr. Weidemyre made a motion to waive the 24-hour rule on Resolution No. 10-16. Mrs. Hellinger seconded the motion. At roll call, seven members voted Aye, zero Nay, and the motion to waive the 24-hour rule passed.

Mr. Cinadr made a motion to suspend the rules of reading Resolution No. 10-16 on three separate days. Mr. Arnold seconded the motion. At roll call, six members voted Aye, zero Nay, and the motion to suspend the rules passed. Mr. Weidemyre read Resolution No. 10-16 for the first time, by title only.

Mr. Weidemyre made a motion to adopt Resolution No. 10-16 and Mr. Arnold seconded the motion.

Mr. Weidemyre reported to Council:

- The State has agreed to a sizeable incentive package. The final incentive requested by the company was for local assistance for \$10 million loans. Herm Stine, with the Ohio Department of Development, suggested the City and County obtain bonds that will be repaid by the company. The County passed their legislation this morning. This resolution acknowledges the City will entertain going out for bonds. Formal agreements will need signed in February but bonds won't be issued until September which is the anticipated time when the company will take ownership of the plant. The State of Ohio is purchasing the plant then the company will engage in a lease/purchase option and will eventually own the plant. Beginning in July, 1,000 temporary construction jobs will prepare the plant for operation. The company has federal money that will be approved in April, engineering work will begin and the actual opening of the plant will be in September. Plant preparation will take approximately 6 – 9 months with permanent employee hiring beginning in the summer of 2012. The Board of Directors is meeting on Friday to formally approve the package.

Mr. Williams was concerned precedence was being set for all companies coming to Ontario and they would also expect incentives, and what liability the City had if the company goes bankrupt.

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Steve Grassbaugh, attorney for Benesch, Friedlander, Coplan & Aronoff, 41 S. High Street, Suite 2600, Columbus, addressed Council:

- This is still in the proposal stage; the company has not made a formal commitment to come to Ohio. Many governmental agencies are offering incentives to entice the company. The last piece is the request for \$10 million from local governments. The only payment the City must make is from the TIF revenues generated by the improvement at the plant. If the plant doesn't have sufficient improvements to generate the TIF payments there is no out of pocket to the City or County. This legislation was drafted to protect the General Fund. This does anticipate a TIF which is a mechanism to freeze the value of the property at the time the TIF ordinance is passed and taxes on the property after that time is transformed into payments in lieu of taxes or TIF payments. The taxes, in lieu of payments, will be used to pay the bonds. The most important part is the TIF revenues.
- The Department of Development has brought in the Toledo-Lucas County Port Authority who is expected to purchase the plant and provide the financing. The TIF revenues will be pledged to the entity providing the debt but no tax dollars will be given away. The increase in the value of the plant will generate the payments used to help the company locate locally. The only rights to payments will be the TIF payments; it is not the obligation of the City, County, or the Port Authority's obligation to make the payments. If the company locates here and the value of the property doesn't increase to reduce the payments the revenue will not be there. TIF payments are based on the assessed value of the property.
- Today the County told this company they would be willing to dedicate the TIF payments for site improvements as an enticement for them to locate here. We are just starting negotiations and the plan of financing will change over the next four months. The concept is not too different from the TIF that was offered to Menards with the exception the City would not have to repay the debt.

Mr. Weidemyre said the Ontario Schools are in support of this 100%. The company will write a separate check to the school for the same amount they received from General Motors plus 20% to ensure there is a good school system for the employees' children to attend.

Hearing no further discussion, seven members cast their votes Aye, zero Nay, and Resolution No. 10-16 was adopted.

At 7:33 p.m., there being no further business to come before the meeting, the same was adjourned upon a motion by Mr. Williams and a second by Mr. Cinadr. At roll call, seven members voted Aye, zero Nay, and the motion to adjourn passed.

President of Council

Clerk of Council