

**ORDINANCE NO. 2020-79**

**AN ORDINANCE AUTHORIZING AN AGREEMENT WITH KMPH REAL ESTATE, LLC, AND MC AUTOMOTIVE, INC. (AKA MONTROSE MAZDA) PROVIDING FOR A PROJECT AND REAL PROPERTY TAX EXEMPTION PURSUANT TO THE OHIO COMMUNITY REINVESTMENT AREA PROGRAM (CRA), AND DECLARING AN EMERGENCY.**

**WHEREAS**, the General Assembly of the State of Ohio, by the enactment of Ohio Revised Code Sections 3735.65 et seq. (the Community Reinvestment Area Program, has heretofore authorized municipal corporations to designate Community Reinvestment Areas within the State in order to provide incentives for new residential, commercial or industrial development and/or rehabilitation in such areas, by making available real property tax exemption for such new development or rehabilitation; and

**WHEREAS**, pursuant to said Community Reinvestment Area Program, this City Council by Ordinance No. 2005-55, approved the designation of the geographic area described in said Ordinance as Community Reinvestment Area II; and

**WHEREAS**, KMPH Real Estate, LLC (the "Company") owns the property located at 1127 West Main Street on which Montrose Mazda of Kent conducts business. The Company is proposing a real property investment of \$5.85 million which includes \$1.45 million for property acquisition and \$4.5 million for the renovation and expansion of the existing building on the site to improve the customer service experience (the "Project"); and

**WHEREAS**, KMPH and Montrose Mazda, shall create, within a time period not exceeding thirty-six (36) months after completion of construction and renovation of the facility, ten (10) full-time permanent jobs and retain nineteen (19) full-time permanent jobs at the project a site; and

**WHEREAS**, the Company has submitted an application to the City requesting a real property tax exemption for the Project, and the City desires to enter into a Community Reinvestment Area Agreement (the "Agreement") with the Company; and

**WHEREAS**, the Project is located in the Kent City School District and the Board of Education of the Kent City School District, has been notified of the proposed Agreement in accordance with Ohio Revised Code Section 5709.83, and for the reasons stated in Section 2 of this Ordinance and Ohio Revised Code Section 3735.671(A)(2), no Board of Education approval is required; and

**WHEREAS**, the City Council has determined that it will be in the best interests of the City and its citizens to proceed to enter into the Agreement with the Company, and that fulfillment of such Agreement will carry out the purposes of the Community Reinvestment Area Program.

**NOW, THEREFORE, BE IT ORDAINED** by the Council of the City of Kent, Portage County, Ohio, at least three-fourths (3/4) of all members elected thereto concurring:

**SECTION 1.** That this City Council hereby approves the Agreement providing for the Project and for an exemption from real property taxation of 50% of the increase in the assessed valuation of real property resulting from improvements to real property for 12 years. Said Agreement shall be in substantially the form of the Agreement on file with the Clerk of Council, with such revisions as are approved by the Director of Law of the City; and this Council hereby authorizes the City Manager to execute the Agreement on behalf of the City.

**SECTION 2.** That this Council hereby estimates that for each tax year the real property is exempted from taxation, the amount of any payment by the City to the Kent City School District pursuant to Section 5709.82 of the Ohio Revised Code, together with the amount of taxes charged and payable on any portion of the assessed valuation of the renovation and addition to the property that will not be exempted from taxation under the Agreement, equals or exceeds fifty (50%) percent of the amount of taxes that would have been charged and payable that year upon the real property had that property not been exempted from taxation.

This Council hereby certifies to the Kent City School District Board of Education that this estimate is made in good faith.

**SECTION 3.** That this Council hereby authorizes the City Manager, Mayor, Director of Law, Finance Director and Community Development Director to take such additional steps, execute such documents and provide such information and certifications as are necessary and appropriate to carry out and implement the terms and conditions of the aforesaid Agreement and the requirements and policies of the Community Reinvestment Area Program.

**SECTION 4.** That pursuant to Section 3735.671 of the Ohio Revised Code, the Clerk of Council is hereby directed to deliver a copy of the Agreement to the Director of the Department of Development of the State of Ohio within fifteen (15) days after the Agreement is entered into. On or before March 31 of each year that the exemption set forth in Section 1 hereof remains in effect, the Mayor or other authorized officer of this City shall prepare and submit to the Director of the Department of Development of the State of Ohio and to the Kent City School District a status report required under Section 3735.672 of the Ohio Revised Code.

**SECTION 5.** That it is found and determined that all formal actions of this Council concerning and relating to the passage of this Ordinance were passed 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 actions, were in meetings open to the public in compliance with all legal requirements of Section 121.22 of the Ohio Revised Code.

**SECTION 6.** That this Ordinance is declared to be an emergency measure necessary for the immediate preservation of the public peace, health, safety and welfare of the residents of this City and for the further reason that this Ordinance is required to be immediately effective in order to authorize the execution of the Agreement, in order to provide for creation of jobs and economic opportunities in such area, which are vitally needed in order to enhance revenues for the City, and to improve the economic welfare of the people, for which reasons and other reasons manifest to this Council this Ordinance is hereby declared to be an emergency measure and shall take effect and be in force immediately after passage.

PASSED: August 19, 2020  
Date

J T Fiala  
Jerry T. Fiala  
Mayor and President of Council

EFFECTIVE: August 19, 2020  
Date

ATTEST: Amy Wilkens  
Amy Wilkens  
Clerk of Council

I, AMY WILKENS, CLERK OF COUNCIL FOR THE CITY OF KENT, COUNTY OF PORTAGE, AND STATE OF OHIO, AND IN WHOSE CUSTODY THE ORIGINAL FILES AND RECORDS OF SAID COUNCIL ARE REQUIRED TO BE KEPT BY THE LAWS OF THE STATE OF OHIO, HEREBY CERTIFY THAT THE FOREGOING IS A TRUE AND EXACT COPY OF *ORDINANCE No.* \_\_\_\_\_, ADOPTED BY THE COUNCIL OF THE CITY OF KENT ON \_\_\_\_\_, 20\_\_\_\_.

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AMY WILKENS  
CLERK OF COUNCIL  
(SEAL)