

**WESTLAKE CITY SCHOOLS
BOARD OF EDUCATION MINUTES**

**Monday, August 15, 2011 – Work Session - 5:30 PM
Administration Building - Board Room – 27200 Hilliard Blvd.**

Call to Order: Time: 5:36 p.m.

Roll Call Vote:

Mr. Mays	<u>Present</u>
Ms. Winter	<u>Present</u>
Mr. Cross	<u>Present</u>
Ms. Rocco	<u>Present</u>
Mr. Sullivan	<u>Present</u>

Pledge of Allegiance: President Mays led the assembly in the Pledge of Allegiance.

Acknowledgment of Visitors: President Mays thanked all in attendance.

Approval of Agenda as Amended to Add Superintendent's Report immediately after Hearing of Public (Agenda Items).

Motion by Mr. Mays
Seconded by Ms. Winter

Roll Call Vote:

Mr. Mays	<u>AYE</u>
Ms. Winter	<u>AYE</u>
Mr. Cross	<u>AYE</u>
Ms. Rocco	<u>AYE</u>
Mr. Sullivan	<u>AYE</u>

*Hearing of Public (15 Minutes) Agenda Items – None.

A. Superintendent's Report

Superintendent Keenan noted the following:

1. State Report Card results.
2. New staff orientation was held on August 9th.
3. Administrative retreat was held August 11th and 12th.
4. First day of school for staff is August 22nd.
5. Groundbreaking will be held on August 29th at 5:30 p.m. before the board meeting at the WHS cafeteria.
6. District was recognized for its best practices by the Ohio School Plan for risk management.
7. WHS is working to accommodate alternative student transportation requests.
8. Pre-construction update.

Mr. Sullivan noted he will not attend the groundbreaking on August 29th.

B. Resolution to Recognize Retirees

Exhibit A

C. Discussion Items

1. TIF Proposal - City of Westlake: American Greetings, Stark Enterprise

President Mays and board attorney Bill Gagliano provided an overview of the American Greetings TIF proposal. Representatives from the City and AG were present to answer any questions from the Board.

2. TIRC Update

President Mays provided an overview of the recent Tax Incentive Review Committee meeting held in Cleveland, Ohio on July 25th.

3. Pre-Audit Conference Update

President Mays discussed the district's August 3rd pre-engagement meeting with the State Auditors.

4. Facility Update

Superintendent Keenan provided a status update on the modular unit installation and the progress to date on the facilities project. Mr. Cross inquired about the litigation matter pending with the City with respect to zoning issues. Superintendent Keenan indicated the matter is a City and not a school district concern.

*Hearing of Public (15 Minutes)

Tony Falcone: Stated he is disappointed Mr. Sullivan will not attend the groundbreaking ceremony.

Sullivan: Responded as to his rationale for not attending the groundbreaking ceremony.

Dave Albert: Asked Board members to comment on how they would dissuade students from behavior he has seen exhibited at recent board meetings.

Christine Sutcliffe: Read a prepared statement about the PTA's policy for involvement in political and legislative activities.

D. Adjournment

Motion by Ms. Rocco

Seconded by Mr. Sullivan

Roll Call Vote:

Mr. Mays	<u>AYE</u>
Ms. Winter	<u>AYE</u>
Mr. Cross	<u>AYE</u>
Ms. Rocco	<u>AYE</u>
Mr. Sullivan	<u>AYE</u>

President Mays adjourned the meeting at 6:55 p.m.

President

Treasurer

The public may address the Board during the periods of the meeting designated for public participation. Each person addressing the Board shall give his/her name and address. If several people wish to speak, each person is allotted three minutes until the total time allotted is used. During that period, no person may speak twice until all who desire to speak have had the opportunity to do so. The period of public participation may be extended by a vote of the majority of the Board present and voting.

EXHIBIT A
RES. #11-206

RESOLUTION TO RECOGNIZE WESTLAKE CITY SCHOOL RETIREES

RESOLVED that the Westlake Board of Education recognizes and congratulates the following Westlake City School retirees:

Carol Hazen	Elementary Aide	12 WCS Years
Cherry Love	LBMS Math Teacher	26 WCS Years
Alison Thompson	Dover Librarian	35 WCS Years

Motion by Ms. Winter

Seconded by Mr. Sullivan

Roll Call Vote:

Ms. Winter	<u>AYE</u>
Mr. Sullivan	<u>AYE</u>
Mr. Cross	<u>AYE</u>
Mr. Mays	<u>AYE</u>
Ms. Rocco	<u>AYE</u>

**BOARD OF EDUCATION OF THE WESTLAKE CITY SCHOOL DISTRICT OF
CUYAHOGA COUNTY, OHIO**

AUGUST 15, 2011

RESOLUTION # 11-207

A RESOLUTION WAIVING STATUTORY NOTICE REQUIREMENTS; APPROVING A TAX INCREMENT FINANCING ORDINANCE TO BE PASSED BY THE CITY COUNCIL FOR THE CITY OF WESTLAKE; APPROVING AND DIRECTING THE EXECUTION OF A COMPENSATION AGREEMENT; AND RELATED MATTERS.

WHEREAS, the City of Westlake (the "City") anticipates that the current and future property owners of certain parcels of real property located in the City (the "Property"), which Property is described on Exhibit A attached hereto and incorporated herein by this reference, with each parcel of the Property referred to herein as a "Parcel" (whether as presently appearing on Cuyahoga County tax duplicates or as subdivided or combined and appearing on future tax duplicates), will develop the Property by constructing certain improvements thereon (the "Project," as more fully defined in the TIF Ordinance (defined below)); and

WHEREAS, the Property is located within the boundaries of the Westlake City School District (the "School District"); and

WHEREAS, in connection with the development of the Property, the City Council is expected to pass an ordinance pursuant to Ohio Revised Code ("R.C.") Section 5709.40(B) (the "TIF Ordinance") substantially in the form attached hereto as Exhibit B and incorporated herein by this reference, which TIF Ordinance will declare 100% of the increase in assessed value of the Property to be a public purpose and exempt from real property taxation for a period of 30 years for each separate Parcel; and

WHEREAS, the Board of Education of the School District (the "Board") is required to approve exemptions granted pursuant to R.C. Section 5709.40 of greater than 75% and for a term of greater than 10 years; and

WHEREAS, to secure such approval from this Board, the TIF Ordinance shall provide for semi-annual payments to the School District collectively equal to 25% of the amount of real property taxes that the School District would have received had the TIF Ordinance not been enacted for each year in which exemptions are effective pursuant to the TIF Ordinance, but in no event less than (i) for TIF District Phase 1, \$455,000 per year for the thirty (30) tax years for which Improvements (as defined in the TIF Ordinance) in TIF District Phase 1 (as depicted on the attached Exhibit A) are exempted under the TIF Ordinance, and (ii) for TIF District Phase 2 (as depicted on the attached Exhibit A), an amount equal to 25% of the amount of real property taxes on the Improvements in TIF District Phase 2 that the School District would have received had the TIF Ordinance not been enacted and had the real property taxes on the Improvements in TIF District Phase 2 been equal to (a) \$2,400 per hotel room, (b) \$3.50 per rentable square foot for retail improvements in the area north of Union Street, (c) \$4.50 per rentable square foot for retail improvements in the area south of Union Street, and (d) \$3.00 per rentable square foot for office improvements, per year for the tax years for which such Improvements in TIF District Phase 2 are

exempted under the TIF Ordinance (collectively, the “Minimum Annual School District Compensation Amount”) as specified in the Compensation Agreement (defined below); and

WHEREAS, to secure approval from this Board, the City will provide for minimum service payment obligations (the “Shortfall Payments”) with respect to portions of the Property pursuant to R.C. Section 5709.91 to ensure sufficient funds (i) to finance the Public Infrastructure Improvements (as defined in the TIF Ordinance), and (ii) to pay to the School District the Minimum Annual School District Property Tax Compensation payable to it under the Compensation Agreement, in recognition of the fact that the commitments set forth in the Compensation Agreement are an integral and necessary aspect of the financing of the Public Infrastructure Improvements; and

WHEREAS, the City is expected to enter into one or more development agreements with certain owners of the Property (each a “City Development Agreement,” and collectively, the “City Development Agreements”), which City Development Agreements are expected to include language requiring the owner-signatories to the City Development Agreements to make Shortfall Payments;

WHEREAS, the Board wishes to approve a compensation agreement (the “Compensation Agreement”), substantially in the form attached hereto as Exhibit C and incorporated herein by this reference, to provide for the above-described compensation; and

WHEREAS, the Board acknowledges that the parcel boundaries and parcel numbers for the Property are likely to change as a result of the replatting necessary to permit the Project and the Public Infrastructure Improvements to be constructed, and the Board acknowledges that the amount of the Shortfall Payment applicable to certain particular Parcels is also likely to change; and

WHEREAS, it has been requested that this Board waive all required notices in connection with approval of the TIF Ordinance, including but not necessarily limited to the forty-five day notice and the fourteen day notices required pursuant to R.C. Sections 5709.40 and 5709.83 in connection with the City taking formal action to approve the TIF Ordinance; and

WHEREAS, in exchange for the compensation to be provided to the School District in the TIF Ordinance and Compensation Agreement, this Board desires to approve the TIF Ordinance and the Compensation Agreement;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF EDUCATION OF THE WESTLAKE CITY SCHOOL DISTRICT, COUNTY OF CUYAHOGA, STATE OF OHIO, THAT:

SECTION 1. This Board finds and determines that it received adequate notice of the terms of the proposed TIF Ordinance, including but not limited to the proposed 100%, 30 year property tax exemptions for the Property as specified in this Section and the TIF Ordinance. For each Parcel that is identified as part of TIF District Phase 1 as shown on the attached Exhibit A, the exemption shall commence on the first day of tax year 2014 and end thirty (30) years after that date. For every other Parcel, the exemption shall commence on the earlier of the first day of (i) the first tax year in which an Improvement (as defined in the TIF Ordinance) of no less than \$100,000 in assessed value (i.e., 35% of true value) attributable to one or more completed structures on the Parcel (as it may then be combined and/or subdivided) would first appear on the tax list and duplicate of real and public utility property after the effective date of the TIF Ordinance were it not for the exemption granted by the TIF Ordinance, but no earlier than tax year 2014, or (ii) tax year 2016, and end for each such Parcel thirty (30) years after such date. Notwithstanding any other language in this Section, no exemption described

in this Section shall commence with respect to any Parcel unless and until at least \$10,000,000 in combined hard costs and soft costs, including no less than \$5,000,000 in hard costs, has been spent on the construction of that portion of the Project which constitutes the American Greetings Corporation world headquarters as certified by the CFO or another authorized officer of American Greetings.

SECTION 2. This Board waives all required notices in connection with approval of the TIF Ordinance, including but not necessarily limited to the forty-five day notice and the fourteen day notices required pursuant to R.C. Sections 5709.40 and 5709.83, and requests the City to approve the TIF Ordinance as soon as practicable.

SECTION 3. Subject to entering into the Compensation Agreement described in Section 4 hereof, this Board hereby approves and consents to the TIF Ordinance, including but not limited to the proposed 100%, 30 year real property tax exemptions provided therein, and authorizes and directs the President or Vice President of this Board, the Superintendent and the Treasurer to further evidence such approval and consent by execution of any documents necessary to give effect to the exemptions provided in the TIF Ordinance. Such execution on behalf of the Board shall constitute conclusive evidence of this Board's approval of any such documents.

SECTION 4. This Board hereby authorizes and directs the President of this Board, the Superintendent and the Treasurer to execute the Compensation Agreement on behalf of this Board, which Compensation Agreement shall provide for payments to be made by the City to the School District in certain years that the School District would have received real property taxes but for the exemption provided in the TIF Ordinance, and which Compensation Agreement shall be substantially in the form as is attached hereto as Exhibit C, together with such changes as are approved by the officials signing the Compensation Agreement. This Board acknowledges that the compensation to be provided pursuant to the Compensation Agreement is the only compensation that the School District will receive from the City under R.C. Section 5709.82 with respect to the TIF Ordinance.

SECTION 5. This Board's resolution is entirely contingent upon, and shall not be effective until, there occurs a reduction in size of the parcel boundaries for the Property (from the current boundaries of the parcels identified by permanent parcel number herein to those boundaries shown on the TIF map attached to Exhibit A hereto) as a result of the filing of record of a replat necessary to permit the Project and the Public Infrastructure Improvements to be constructed, provided, however, that the effective date of this resolution is not dependent upon the timing of the issuance of new permanent parcel numbers. The Board also acknowledges and agrees that the amount of the Shortfall Payment applicable to certain Parcels is also likely to change. The Board acknowledges and agrees that the City will amend the TIF Ordinance to decrease the size of the Property or choose not to file DTE Form 24 to trigger the TIF exemption with respect to each portion of the Property. This Board also acknowledges and agrees that the City Development Agreement, any declaration of covenants entered into with an owner (each a "TIF Declaration") or both may contain a mechanism by which particular owners' obligations with respect to Shortfall Payments may change from the amounts originally set forth in the City Development Agreement, TIF Declaration or both, so long as the obligation to make Shortfall Payments when due with respect to a Parcel runs with the land and has the priority described in the Compensation Agreement, and this Board consents to the use of any such mechanism set forth in the City Development Agreement, TIF Declaration or both. This Board also agrees that its approvals and waivers set forth in this resolution apply to any smaller size of the Property (but no larger than shown on the TIF map attached to Exhibit A hereto), to any reconfigured parcel boundaries, to any new parcel numbers and irrespective of any changes in owners' obligations with respect to Shortfall Payments. This Board also further agrees to execute

reasonable documents prepared by the City and to pass any necessary resolutions in connection with financings or otherwise to acknowledge and affirm its approval of the TIF exemptions for the Property. The approvals and agreements set forth in this section are contingent upon an agreement by the City that, notwithstanding any combination of the potential reduction in the size of the Property, changes to parcel boundaries and parcel numbers, or changes to owners' obligations with respect to Shortfall Payments, the Minimum Annual School District Property Tax Compensation shall not be reduced.

SECTION 6. This Board directs the Treasurer of the Board to certify and deliver true and complete copies of this Resolution, together with the attachments hereto, to the City Council as soon as practicable after the passage of this Resolution.

SECTION 7. This Board finds and determines that all formal actions of this Board concerning and relating to the adoption of this Resolution were adopted in an open meeting of this Board and that all deliberations of this Board and of any of its committees that resulted in such formal action were in meetings open to the public in compliance with all legal requirements including R.C. Section 121.22.

SECTION 8. This Resolution shall take effect and be in force from and after its passage.

Motion by _____ Mr. Sullivan

Seconded by _____ Mr. Cross

Roll Call Vote:

Mr. Mays	_____ AYE
Ms. Winter	_____ AYE
Mr. Cross	_____ AYE
Ms. Rocco	_____ AYE
Mr. Sullivan	_____ AYE