

AN ORDINANCE AMENDING CHAPTER 30 OF THE CHESAPEAKE CITY CODE, ENTITLED "FINANCE AND TAXATION," BY ADDING SECTIONS 30-556 THROUGH 30-561 THERETO, TO ESTABLISH A TAX INCREMENT FINANCING DISTRICT IN THE SOUTH NORFOLK BOROUGH.

WHEREAS, the City of Chesapeake ("the "City") desires to undertake a program related to the revitalization and improvement of a portion of the South Norfolk Borough, bounded on the north by the Chesapeake/Norfolk City line and Berkley Avenue; bounded on the east by the Indian River, the Norfolk and Southern Railroad and Campostella Road; bounded on the South by Military Highway; and bounded on the West by the Southern Branch of the Elizabeth River ("South Norfolk Revitalization District"). The program is intended to achieve certain important public purposes, including but not limited to (a) improving public infrastructure, such as roads, schools, libraries and utilities serving the South Norfolk Revitalization District; (b) improving the overall character of the South Norfolk Revitalization with street scopes, pedestrian walkways, attractive gateways, uniform signage, landscaping, lighting, underground utilities, and similar amenities; (c) improving public transit access to and from the South Norfolk Revitalization District, including but not limited to, Hampton Roads Transit bus and ferry facilities; (d) providing improvements to public areas, including but not limited to, parks, open areas and the Elizabeth River waterfront; (e) acquiring property and making improvements needed to promote economic development for the purpose of generating revenue and increasing employment in the South Norfolk Revitalization District; all of which endeavors are intended to revitalize and improve the area,

stimulate private investment, encourage commercial development, facilitate employment, enhance public services, and increase public revenues; and

WHEREAS, as part of the undertaking of this development program, the Council of the City of Chesapeake (the "Council") desires to provide for all or a part of the financing associated with the public aspects of the improvement and development of the South Norfolk Revitalization District and such other public investment that is consistent with the public purposes listed above ("the South Norfolk Project") by designating a development project area and adopting tax increment financing therein, as provided by Section 58.1-3245.2 of the Code of Virginia. In particular, tax increment financing will permit the City to issue obligations or enter into development project cost commitments to be secured by tax increment revenues derived from this development project area; and

WHEREAS, the City Council held a public hearing on March 22, 2005, on the establishment of the tax increment financing district after notice as provided in Section 58.1-3245.2(B) of the Code of Virginia, 1950, as amended (the "Code of Virginia").

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF CHESAPEAKE, VIRGINIA, that Chapter 30 of the Chesapeake City Code, entitled "FINANCE AND TAXATION," be and is hereby amended, by adding Sections 30-556 through 30-561 thereto, to establish a tax increment financing district in the South Norfolk Revitalization District as follows:

ARTICLE XVIII. TAX INCREMENT FINANCING.

Section 30-555. South Norfolk Revitalization District Established.

Pursuant to Section 58.1-3245 et seq. of the Code of Virginia, a development project area (as defined in Section 58.1-3245) known as the South Norfolk Revitalization District (the "District") is hereby created and designated as such, effective January 1, 2006. The District shall include a portion of the South Norfolk Borough of the City as described in and shown on Exhibit "A," on file in the City Clerk's Office and made part of this ordinance by reference.

Section 30-556. Base Assessments Established.

Immediately following the effective date of this ordinance, the Real Estate Assessor is directed, pursuant to Section 58.1-3245.2(A)(1) of the Code of Virginia, to record in the land book the base assessed value, determined as of January 1, 2005, and the current assessed value, as defined under Section 58.1-3245 of the Code of Virginia, of all real estate within the District. The Real Estate Assessor shall update the "current assessed value" no less often than annually effective on the first day of each January.

Section 30-557. Tax Increment Financing Fund Established.

(A) The City Treasurer shall receive and allocate the real estate taxes attributable to the increased value of the real estate within the District between the base assessed value (as of January 1, 2005) and the current assessed values (the "Tax Increment Revenues") into a special fund entitled "the South Norfolk

Revitalization District Tax Increment Financing Fund” (the South Norfolk TIF “Fund”), which is hereby authorized to be created and maintained for so long as any obligation or development project cost commitments secured by the South Norfolk TIF Fund are outstanding and unpaid. The base assessed value shall not be reduced by subsequent damage to, or loss of, any portion of the real estate. Additionally, Tax Increment Revenues shall not include increased value derived from: 1) improvement replacement costs to the extent that such replacement costs are less than or equal to the base value of the improvements existing on January 1, 2005; or 2) improvement of property owned by a railroad or public service company and assessed by the State Corporation Commission. Such amounts shall remain in the base assessed value and continue to be allocated to the City’s General Fund.

(B) The South Norfolk TIF Fund shall be used solely to pay “development project costs,” as defined in Section 58.1-3245 of the Code of Virginia (collectively, the “South Norfolk Project Costs”), and to secure any related financing obligations authorized and issued in the future. In the event there are “surplus funds” at the end of any tax year (June 30 of each year), as defined in Section 58.21-3245.4 of the Code of Virginia, such surplus funds may be returned to the City’s General Fund

Section 30-558. TIF Obligations.

(A) The South Norfolk Project Costs may be paid directly by using revenues on deposit in the South Norfolk TIF Fund, including, without limitation, expenses incurred due to studies, planning, design work, engineering, program

development, program management, debt costs, debt issuance costs, attorneys fees, consultant fees, administrative expenses, construction contracts, and other services relating to, or arising from, implementation of the District and accomplishing the objectives of the South Norfolk Project.

(B) City Council recognizes that a portion of the South Norfolk Project Costs may be financed by issuance of obligations ("South Norfolk TIF Obligations"); however, no South Norfolk TIF Obligations may be issued or executed without express approval of City Council by separate ordinance or resolution, as appropriate.

Section 30-559. Administration.

The South Norfolk Project shall be implemented and administered by the City Manager, or designee, who is hereby authorized to execute necessary documents, develop information systems, hire employees, assign duties, arrange financing, reach agreements with contractors and consultants, and to take all other action necessary to administer the South Norfolk Project. Notwithstanding this authority, City Council approval is required for i) each specific project in the South Norfolk Revitalization District; ii) acquisition or conveyance of any interest in real property; and iii) issuance of any related financing commitments or other South Norfolk TIF Obligations.

Section 30-560. Termination.

The South Norfolk Revitalization District and the South Norfolk TIF Fund shall terminate twenty (20) years from the effective date of this ordinance or such longer period necessary to satisfy all debt obligations and development project cost commitments secured by the South Norfolk TIF Fund, as determined by City Council.

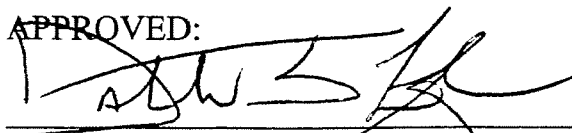
Section 30-561. Record Keeping.

The City Clerk is directed to send a copy of this ordinance and any other material required by Section 58.1-3245.3 of the Code of Virginia to the Real Estate Assessor, the City Treasurer and the Director of Finance. The City Clerk is directed to make a copy of this ordinance continuously available for inspection by the general public during normal business hours at the City Clerk's Office from the date of adoption hereof through the date or dates of the issuance of the South Norfolk TIF Obligations. The City Clerk, in collaboration with the City Attorney, is authorized and directed to file immediately a certified copy of this ordinance with the Circuit Court of the City of Chesapeake, Virginia.

The ordinance shall become effective on January 1, 2006.

ADOPTED by the Council of the City of Chesapeake, Virginia, on the 22nd day of March, 2005.

APPROVED:



Mayor

ATTEST:

Dolores A. Moore
Clerk of the Council

STATE OF VIRGINIA,
CITY OF CHESAPEAKE, to-wit:

The foregoing instrument bearing date of March 22, 2005, 2005,
was acknowledged before me this 24 day of March, 2005, by
Dalton S. Edge and Dolores A. Moore, Mayor and City Clerk, respectively, of the
City of Chesapeake, Virginia.

Paula Gutz
Notary Public

My commission expires: 3/31/07

TRUE COPY
Paula Gutz Deputy
CITY CLERK

**South Norfolk TIF District - Boundary
(Approved March 22, 2005)**



South Norfolk Tax Increment Financing District

District boundary description

- At the intersection of Military Highway and the Southern Branch of the Elizabeth River boundary follows the Southern Branch of the Elizabeth River west and then north to the Norfolk and Chesapeake city line.
- Boundary follows the Norfolk and Chesapeake city line east to the intersection of Berkley Avenue with Norfolk and Southern railroad, immediately west of Ruritan Boulevard.
- Boundary continues in Southeast direction following Berkley Avenue and then Border Road until intersection of Border Road projected and the Indian River.
- Boundary continues south along the Indian River then east along the shared property line of homes on Fireside Road and Sunrise Avenue, Shelter Road and Sunrise Avenue, Sunrise Court and Wingfield Avenue.
- Boundary follows Campostella Road north and east to intersection with Norfolk Southern railroad.
- Boundary follows Norfolk Southern railroad south to intersection with Campostella Road.
- Boundary continues south on Campostella Road until intersection with Battlefield Boulevard.
- Boundary continues south on Battlefield Boulevard to intersection with boundary of parcels 89 and 3D as identified on Tax Map 154.
- Boundary continues east following north boundary of Parcel 3B as identified on Tax Map 154 until intersection with Campostella Road.
- Boundary follows Campostella Road south and west until intersection with Military Highway.
- Boundary continues west following Military Highway until intersection with the Southern Branch of the Elizabeth River.