

June 9, 2004

AN ORDINANCE AMENDING CHAPTER 30 OF THE CHESAPEAKE CITY CODE, ENTITLED "FINANCE AND TAXATION," BY ADDING ARTICLE XVIII THERETO, TO ESTABLISH A TAX INCREMENT FINANCING DISTRICT IN THE GREENBRIER COMMERCIAL AREA.

WHEREAS, the City of Chesapeake (the "City") desires to undertake a program related to the improvement of the Greenbrier commercial area (the "Greenbrier Area") in the vicinity of the Greenbrier Mall and the Chesapeake Conference Center, that are intended to achieve certain important public purposes, including but not limited to (a) improving the capacity and flow of traffic within the Greenbrier Area; (b) improving the overall character of the Greenbrier Area with pedestrian walkways, attractive gateways, uniform signage, landscaping, lighting and similar amenities; (c) improving public transit access to and from the Greenbrier Area; (d) expanding public and private facilities at the Chesapeake Conference Center, including parking facilities and first-class hotel facilities; and (e) providing improvements to public areas, including the City Park; all of which are designed to 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 development of the Greenbrier Area and such other public investment that is consistent with the public purposes listed above ("the 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, which will permit the City to issue obligations or enter into development project cost commitments that will be secured by tax increment revenues derived from this development project area; and

WHEREAS, the City Council held a public hearing on June 22, 2004, 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 Article XVIII thereto, to establish a tax increment financing district in the Greenbrier commercial area as follows:

ARTICLE XVIII. TAX INCREMENT FINANCING.

Section 30-550. Greenbrier Area Commercial 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 Greenbrier Area Commercial District (the "District") is hereby created and designated as such, effective January 1, 2005. The District shall include the Greenbrier Area 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 30-551. 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, 2004, 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 on the first day of each January.

Section 30-552. 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, 2004) and the current assessed values (the "Tax Increment Revenues") into a special fund entitled "the Greenbrier Area Commercial District Tax Increment Financing Fund" (the "Fund"), which is hereby authorized to be created and maintained for so long as any obligation or development project cost commitments secured by the 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, 2004; 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 Fund shall be used solely to pay "development project costs," as defined in Section 58.1-3245 of the Code of Virginia (collectively, the "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, such surplus funds shall be retained in the Fund for future Project Costs.

Section 30-553. TIF Obligations.

(A) Project Costs may be paid directly by using proceeds from the 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 Project.

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

Section 30-554. Administration.

The 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 Project. Notwithstanding this authority, City Council approval is required for i) each specific project in the District; ii) conveyance of any interest in real property; and iii) issuance of any related financing commitments or other TIF Obligations.

Section 30-555. 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 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 Virginia.

The ordinance shall become effective on January 1, 2005.

ADOPTED by the Council of the City of Chesapeake, Virginia, on the _____
day of June, 2004.

APPROVED:

Mayor

ATTEST:

Clerk of the Council

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

The foregoing instrument bearing date of _____, 2004,
was acknowledged before me this _____ day of _____, 2004, by
William E. Ward and Dolores A. Moore, Mayor and City Clerk, respectively, of the
City of Chesapeake, Virginia.

Notary Public

My commission expires: _____