

ORDINANCE Q-07

AN ORDINANCE IMPLEMENTING SECTIONS 3735.65 THROUGH 3735.70 OF THE OHIO REVISED CODE, AMENDING THE BOUNDARIES OF COMMUNITY REINVESTMENT AREA IN THE CITY OF ORRVILLE AND DESIGNATING A HOUSING OFFICER TO ADMINISTER THE PROGRAM AND CREATING A COMMUNITY REINVESTMENT HOUSING COUNCIL AND A TAX INCENTIVE REVIEW COUNCIL.

WHEREAS, the Council of the City of Orrville (hereinafter "City Council") desires to pursue all reasonable and legitimate incentive measures to assist and encourage development in specific areas of the City of Orrville that have not enjoyed reinvestment from remodeling or new construction;

WHEREAS, a survey of housing (see Exhibit A) as required by Ohio Revised Code (ORC) Section 3735.66 has been prepared for the area to be included in the proposed Community Reinvestment Area;

WHEREAS, the maintenance of existing and construction of new structures in such area would serve to encourage economic stability, maintain real property values, and generate new employment opportunities; and

WHEREAS, the remodeling of existing structures or the construction of new structures in this Community Reinvestment Area constitutes a public purpose for which real property exemptions may be granted.

NOW THEREFORE, BE IT ORDAINED BY THE CITY OF ORRVILLE, WAYNE COUNTY, OHIO THAT:

Section 1: The area designated as the City of Orrville Community Reinvestment Area #1 constitutes an area in which housing facilities or structures of historical significance are located, and in which new construction or repair of existing facilities has been discouraged;

Section 2: Pursuant to ORC Section 3735.66, the City of Orrville Community Reinvestment Area, is hereby established in the following described area:

Beginning at the southern most corporation limits along State Route 57 (South Main Street) westerly along the corporation limit line to South Crown Hill Road, including a 80.117 acre parcel on the west side of South Crown Hill Road owned by United Industries, Corporation, then northerly along Crown Hill Road to West High Street, then easterly to North Elm Street, then northerly along North Elm Street until it ends, continuing north following the western lot lines of the following: O.L. 28 owned by the City of Orrville, a 3.98 acre parcel owned by the City of Orrville, a 33.823 acre parcel owned by Smith Dairy Products, a 80.696 acre parcel owned by Elaine L. Renner, Trustee, and two lots which are part of a 27.740 acre parcel owned by William Arnold to Back Massillon Road, and then easterly along the corporation limit line to the northeast corner of the city, then southerly along the eastern corporation limit line to East Oak Street, then westerly to Lake Street, then southerly to Sassafras Street, then westerly to State Route 57 (South Main Street), then southerly to the place of beginning.

The Community Reinvestment Area is approximately depicted as the cross-hatched area on the map attached to this Ordinance, marked Exhibit B, and by this reference incorporated herein.

Only residential, commercial, and/or industrial properties consistent with the applicable zoning regulations within the designated Community Reinvestment Area will be eligible for exemptions under this Program;

Section 3: All properties identified in Exhibit B as being within the designated Community Reinvestment Area are eligible for this incentive. This proposal is a public / private partnership intended to promote and expand conforming uses in the designated area. As part of this project, the City of Orrville intends to undertake supporting public improvements in the designated area;

Section 4: Within the Community Reinvestment Area, the percentage of the tax exemption on the increase in the assessed valuation resulting from improvements to commercial and industrial real property and the term of those exemptions shall be negotiated on a case-by-case basis in advance of construction or remodeling occurring according to the rules outlined in the ORC Section 3765.67. The results of the negotiation as approved by this City Council will be set in writing in a Community Reinvestment Area Agreement as outlined in ORC Section 3735.671. For residential property, a tax exemption on the increase in the assessed valuation resulting from improvements as described in ORC Section 3735.67 shall be granted upon proper application by the property owner and certification thereof by the designated Housing Office for the following periods. Residential applications must be filed with the Housing Officer no later than six months after construction completion. The following exemption percentages shall apply:

- (a) 50% for 10 years, (the term the same for all) for the remodeling of dwellings containing not more than two housing units and upon which the cost of the remodeling is at least \$2,500, as described in ORC Section 3735.67;
- (b) Up to 75% (for up to 12 years) for existing commercial and industrial facilities shall be negotiated on a case-by-case basis in advance of construction or remodeling occurring; and
- (c) Up to 75% (for up to 12 years) for new commercial or industrial facilities shall be negotiated on a case-by-case basis in advance of construction occurring. Multi-family housing units (3 or more) shall be exempt.

If remodeling qualifies for an exemption, during the period of the exemption, the exempted percentage of the dollar amount of the increase in the market value of the structure shall be exempt from real property taxation. If new construction qualifies for an exemption, during the period of the exemption, the exempted percentage of the structure shall not be considered an improvement on the land on which it is located for the purpose of real property taxation;

Section 5: All commercial and industrial projects are required to comply with the state application fee requirements of ORC 3735.672 (C), which currently is \$750, and the local monitoring fee of a minimum of \$250 up to a maximum of \$2,500 annually;

Section 6: To administer and implement the provision of this Ordinance, the Safety – Service Director is designated as the Housing Officer as described in Section 3735.65 through 3735.70;

Section 7: That a “Community Reinvestment Area Housing Council” shall be established, consisting of two members appointed by the Mayor of the City of Orrville, two members appointed by the City Council of the City of Orrville and one member appointed by the Planning Commission of the City of Orrville. The majority of the members shall then appoint two additional members who shall be residents within the area. Terms of the members of the Housing Council shall be for three years. An unexpired term resulting from a vacancy in the Housing Council shall be filled in the same manner as the initial appointment was made;

Section 8: That a Tax Incentive Review Council shall be established pursuant to ORC Section 57098.85, and shall consist of the Mayor or designee, a member of City Council, appointed by Council President, the Finance Director or designee, two representatives of the City of Orrville, appointed by the Mayor with City Council concurrence, the County Auditor or designee, and a representative of each affected Board of Education. At least four members must residents of the City of Orrville. The Tax Incentive Review Council shall review annually the compliance of all agreements involving the granting of exemptions for commercial or industrial real property improvements under Section 3735.671 of the ORC and make written recommendations to City Council as to continuing, modifying or terminating said agreement based upon the performance of the agreement;

Section 9: The City Council reserves the right to re-evaluate the designation of the City of Orrville Community Reinvestment Area #1 after December 31, 2008, at which time the City Council may direct the Housing Officer not to accept any new applications for exemptions as described in Section 3735.67 of the ORC.

Section 10: The Community Reinvestment Area Housing Council shall make an annual inspection of the properties within the district for which an exemption has been granted under Section 3735.67 of the ORC. The Housing Council shall also hear appeals under 3735.70, of the ORC.

Section 11: The City Council hereby finds and determines that all formal actions relative to the passage of this Ordinance were taken in an open meetings of this City Council, that all deliberations of this City Council and of its committees, if any, which resulted in formal action were taken in meetings open to the public, in full compliance with the applicable legal requirements, including Section 121.22 of the ORC;

Section 11: That this Ordinance shall take effect and be enforce from and after the earliest period allowed by land and upon confirmation by the Director of Development of the findings in this Ordinance;

Section 12: The Mayor of the City of Orrville is hereby directed and authorized to petition the Director of Development to confirm the findings contained in this Ordinance.

Passed this _____ day of _____ 2007.

President of Council

Attest:

Clerk of Council

Approved:

Mayor

Date _____