

Ordinance No. 2016-116*Passed* October 242016

AN ORDINANCE IMPLEMENTING SECTIONS 3735.65 THROUGH 3735.70 OF THE OHIO REVISED CODE, ESTABLISHING AND DESCRIBING THE BOUNDARIES OF A COMMUNITY REINVESTMENT AREA IN THE CITY OF STREETSBORO, DESIGNATING A HOUSING OFFICER TO ADMINISTER THE PROGRAM, AND CREATING A COMMUNITY REINVESTMENT HOUSING COUNCIL.

WHEREAS, this Council desires to pursue all reasonable and legitimate incentive measures to assist and encourage development in specific areas of the City that have not enjoyed reinvestment from remodeling or new construction, including by means of the establishment of a Community Reinvestment Area ("CRA" or the "Area"); and

WHEREAS, a Housing Condition Survey dated September 23, 2016, a copy of which is on file with the Clerk of Council, has been prepared by the Portage County Regional Planning Commission for the proposed Community Reinvestment Area; and

WHEREAS, the maintenance of existing and construction of new structures in the 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 tax exemptions may be granted;

NOW, THEREFORE, BE IT ORDAINED by the Council of the City of Streetsboro, Portage County, Ohio, that:

SECTION 1: The findings and conclusions of the Housing Condition Survey prepared by the Portage County Regional Planning Commission, dated September 23, 2016 and on file with the Clerk of Council, are hereby approved and adopted.

SECTION 2: This Council finds and determines that the area designated herein as the Streetsboro Community Reinvestment Area No. 2 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 3: Pursuant to Ohio Revised Code ("R.C.") Section 3735.66, Streetsboro Community Reinvestment Area No. 2 is hereby established in the area described and delineated in Exhibit "A," attached hereto and incorporated herein. To the extent any parcel of real property lies partly within and partly without the CRA, the entire parcel will be considered within the CRA.

SECTION 4: New construction and remodeling of commercial, industrial and residential structures in the CRA, otherwise satisfying the requirements of R.C. §3735.67, shall be eligible for exemption from real property taxes on the increase in assessed value resulting from the new construction or remodeling, in accordance with the minimum investment standards and other limits established in this ordinance, provided, however, that new construction of multi-family residential structures (three or more dwelling units) will not be eligible for tax exemption. Only residential, commercial and/or industrial properties compliant with the applicable zoning regulations within the CRA will be eligible for tax exemptions under this Program.

SECTION 5: Each tax exemption granted under the authority of this Ordinance will be deemed to exempt from real property taxes the increase in assessed value resulting from the new construction or remodeling subject to the exemption, in the percentage, and for the duration provided in years. Each tax exemption shall first apply

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in the year the construction or remodeling would first be taxable but for the exemption granted under this Ordinance.

SECTION 6: The tax exemption for new construction or remodeling of residential structures will be fifty percent (50%) of the tax associated with amount by which the new construction or remodeling increases the assessed value of the property. The minimum investment required and the duration of such tax exemptions will be in accordance with the following table:

Residential Remodeling (2 units or less; minimum \$10,000)	5 years
Residential Remodeling (more than 2 units; minimum \$20,000)	5 years
Residential New Construction (2 units or less)	7 years

SECTION 7: Within the Community Reinvestment Area, the percentage of the tax exemption on the increase in the assessed valuation resulting from improvements to commercial 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 R.C. §3765.67, provided that no such tax exemption shall exceed fifty percent (50%) of the tax associated with amount by which the new construction or remodeling increases the assessed value of the property, and no tax exemption will be granted without a minimum investment of \$50,000. The results of the negotiation shall be set forth in writing in a Community Reinvestment Area Agreement as outlined in R.C. §3735.671, and shall be approved by City Council prior to taking effect.

SECTION 8: Within the Community Reinvestment Area, the percentage of the tax exemption on the increase in the assessed valuation resulting from improvements to 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 R.C. §3765.67, provided that all such negotiated agreements will conform to the following table establishing the rate and duration of the tax exemption:

Rate of Tax Exemption	
Minimum Project Investment	Maximum Percent of Tax Exemption
\$500,000 – 999,999	10%
\$1,000,000 – 2,999,999	20%
\$3,000,000 – 5,999,999	30%
\$6,000,000 – 9,999,999	40%
\$10,000,000 – 15,000,000	50%

Term of Tax Exemption (in years)		
Minimum New Annual Payroll	New Construction	Rehabilitation or Building Addition
\$500,000 – 999,999	5	3
\$1,000,000 – 1,999,999	6	4
\$2,000,000 – 3,499,999	7	5
\$3,500,000 – 4,999,999	8	6
\$5,000,000 – 6,999,999	9	7
\$7,000,000 – 10,000,000	10	8

Proposed projects that exceed \$15 million in new investment or \$10 million in new annual payroll may be specially negotiated without reference to the above limits, subject to Council approval. The results of all negotiations under this Section shall be set forth in writing in a Community Reinvestment Area Agreement as outlined in R.C. §3735.671, and shall be approved by City Council prior to taking effect.

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SECTION 9: All commercial and industrial project tax exemption applications received by the City are required to comply with the state application fee requirements of R.C. §3735.672(C) and all CRA tax exemption agreements for commercial or industrial property shall require the owner to remit a local annual monitoring fee to the City in the amount of one percent (1%) of the amount of taxes exempted, up to a maximum of \$2,500.

SECTION 10: To administer and implement the provisions of this Ordinance, the Director of Economic Development is designated as the Housing Officer as described in Sections 3735.65 through 3735.70, and the Director shall have and exercise the authority of the Housing Officer as provided therein.

SECTION 11: A "Community Reinvestment Area Housing Council" is hereby created, consisting of two members appointed by the Mayor, two members appointed by the Council, and one member appointed by the Planning and Zoning Commission. The majority of the members shall then appoint two additional members who shall be residents of the City. Appointments shall be made within ninety (90) days of the effective date of this Ordinance and terms of the members of the Council shall begin upon appointment and be for three years. An unexpired term resulting from a vacancy in the Council shall be filled in the same manner as the initial appointment was made. 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 Revised Code. The Council shall also hear appeals under R.C. §3735.70.

SECTION 12: The Council reserves the right to re-evaluate the designation of the Streetsboro Community Reinvestment Area No. 2 after December 31, 2017, at which time the Council may direct the Housing Officer not to accept any new applications for exemptions as described in R.C. §3735.67.


SECTION 13: Not later than fifteen (15) days after the effective date of this Ordinance, the Clerk of Council shall forward a certified copy of this Ordinance to the Director of the Ohio Development Services Agency along with a request, signed by the President of Council, to confirm the findings made by the Council in this Ordinance. Neither the Housing Officer nor this Council shall approve any exemption from taxation under R.C. §3537.67 until the Director forwards the Director's responsive determination to the Council.


SECTION 14: Resolution No. 1984-10, adopted February 11, 1984, is hereby rescinded.

SECTION 15: It is found and determined that all formal actions of this Council concerning and relating to the adoption of this ordinance were adopted 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 action were in meetings open to the public, in compliance with all legal requirements, to the extent applicable, including Chapter 107 of the Codified Ordinances.

SECTION 16: This ordinance shall take effect and be in force at the earliest period allowed by law upon its passage and approval by the Mayor.

PASSED: Oct. 24th 2016
Date


John Ruediger, President of Council

ATTEST:

Caroline L. Kremer, Clerk of Council

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APPROVED: *Glenn M. Broska*
Date

Glenn M. Broska, Mayor
Paul A. Janis
Paul A. Janis, Law Director




Prepared and approved as to legal content by:

Date Submitted to Mayor for Approval: *10-25-16* Returned: *10-27-16*

Sponsored by: Mayor Broska

CRA Boundary 2016



-  CRA boundary (2106)
-  Streetsboro boundary
-  Parcels (2016)

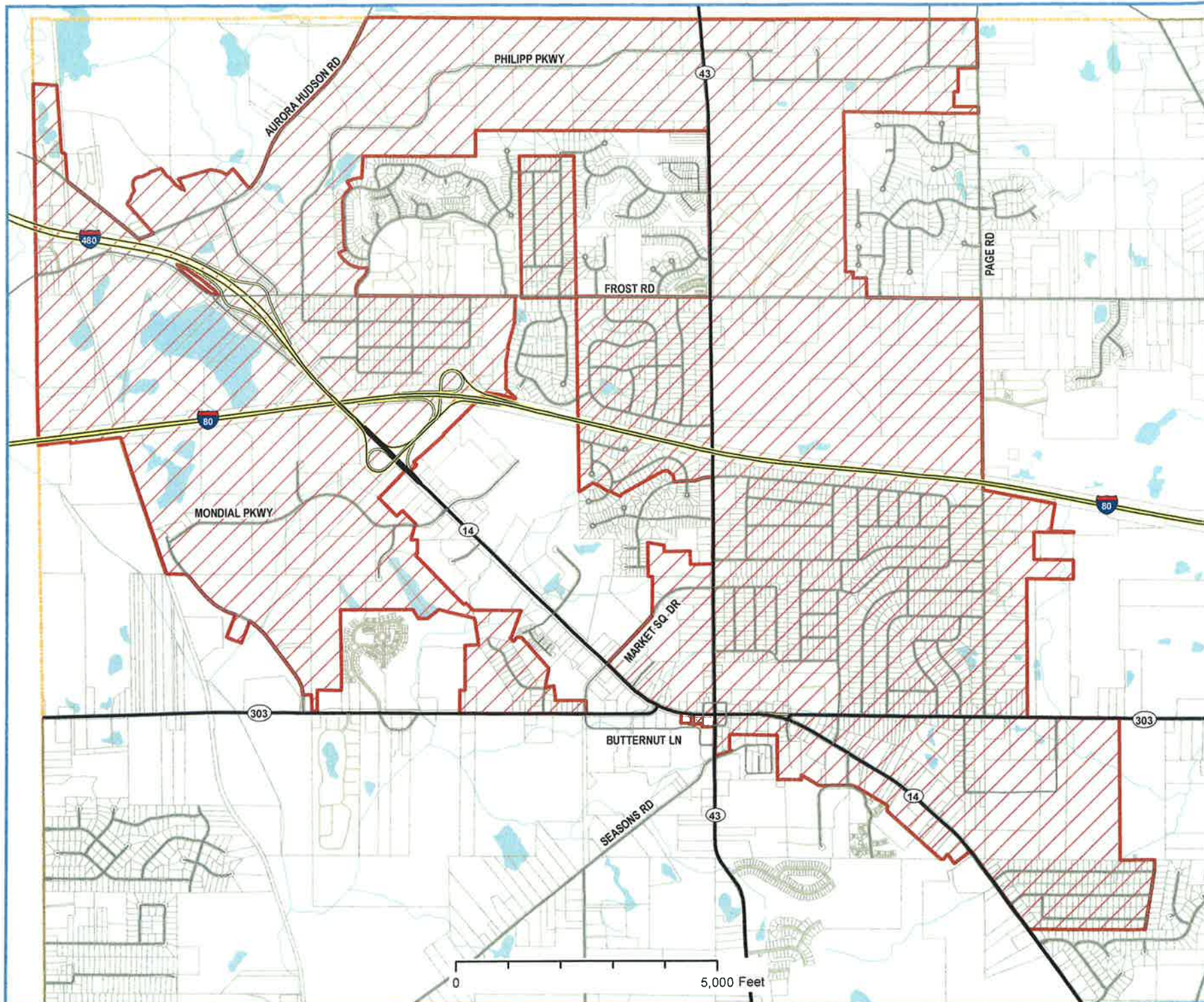


EXHIBIT
T-6233
Exhibit "A"