

## **ORDINANCE NO. 1493**

### **AN ORDINANCE IMPLEMENTING SECTIONS 3735.65 THROUGH 3735.70 OF THE OHIO REVISED CODE, ESTABLISHING AND DESCRIBING THE BOUNDARIES OF COMMUNITY REINVESTMENT AREA IN THE VILLAGE OF GLANDORF AND DESIGNATING A HOUSING OFFICER TO ADMINISTER THE PROGRAM CREATING A COMMUNITY REINVESTMENT COUNCIL AND A TAX INCENTIVES REVIEW COUNCIL.**

WHEREAS, the Council of the Village of Glandorf desires to pursue all reasonable and legitimate incentive measures to assist and encourage development in the form of remodeling or new construction;

WHEREAS, a survey of housing, a copy of which is on file in the Office of the Mayor, as required by the 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 VILLAGE OF GLANDORF OF PUTNAM COUNTY, OHIO, THAT:

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

Section 2: Pursuant to ORC Section 3735.66, Glandorf Community Reinvestment Area is hereby established in the following described are:

The boundaries of the Glandorf Community Reinvestment Area shall be the same as the political boundaries of the Village of Glandorf, as of January 1, 2019, as depicted on the map attached to this Ordinance, marked "Exhibit A", 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 A” as being within the designated Community Reinvestment Area are eligible for this incentive. This CRA proposal is a public/private partnership intended to promote and expand conforming uses in the designated area. As part of the project, the Village of Glandorf 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 3735.67. The results of the negotiation as approved by the Village Council will be set in writing in a Community reinvestment Area Agreement as outlined in Section 3735.671 of the ORC. 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 officer for the following periods.

The following rates and terms apply to real property tax exemptions:

For the purpose of this Ordinance, “Appraised Value” shall mean:

1. For remodeling, the difference between the value of the property after the improvement and the value of the property before the improvement, as determined by the Putnam County Auditor’s Office. Exemption will be one hundred percent (100%) for **five (5) years** for the remodeling of one family dwelling and for which the cost of remodeling is at least **\$50,000.00**, as described in ORC Section 3735.67. The exemption will be on the improvement only.
2. For new construction, the difference between the value of the completed construction project and the value of the lot, as determined by the Putnam County Auditor’s Office.
  - (a) Exemption will be fifty percent (50%) for **five (5) years** for the new construction of one family dwelling and for which the cost of construction is at least **\$250,000.00**, as described in ORC Section 3735.67. The exemption will be on the improvements on the real estate only.
  - (b) Exemption can be up to and including 100% for up to and including fifteen (15) years on new construction of retail or commercial/industrial facilities. Exemption can be up to and including 100% for up to and including twelve (12) years for the remodeling of existing retail or commercial/industrial facilities. All such exemptions under this section shall be negotiated on a case-by-case basis in advance of construction occurring. The cost of remodeling shall not be less than **\$50,000.00**.

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

Section 5: All commercial and industrial projects are required to comply with the State application fee requirements of ORC Section 3735.672 and the local annual monitoring fee of one percent of the amount of taxes exempted under the agreement – a minimum of \$500 up to a maximum of \$2,500 annually.

Section 6: To administer and implement the provisions of this Ordinance, the Village's Assistant to the Fiscal Officer is designated as the Housing Officer as described in Section 3735.65 through 3735.70.

Section 7: A "Community Reinvestment Area Housing Council" consisting of eight (8) members shall be created as outlined in ORC Section 3735.69. The Housing Council shall consist of residents of the Village of Glandorf of which two (2) members shall be appointed by the Village Council, two (2) members by the Mayor, and one (1) member appointed by the Planning Commission, and the Ottawa-Glandorf School Board. The majority of the members shall then appoint two additional members. Terms of the members of 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. The original committee appointments shall include three one year terms and four three year terms, to insure overlapping terms. The Mayor, Village Council, and the Housing Council shall each appoint one member to a three year term.

A Tax Incentive Review Council (TIRC) shall be established pursuant to ORC Section 5709.85, and shall consist of three representatives appointed by the Board of County Commissioners, two representatives of the municipal corporation, appointed by the Mayor with Council concurrence, the County Auditor or designee, and a representative of each effected board of education. At least two members must be residents of the Village of Glandorf. The Tax Incentive Review Council (TIRC) 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 the Village Council as to continuing, modifying or terminating said agreement based upon the performance of the agreement. (The existing TIRC may be used.)

Section 8. The Village Council reserves the right to re-evaluate the Glandorf Community Reinvestment Area annually at which time Village Council may direct the Housing Officer not to accept any new applications for exemptions as described in Section 3735.67 of the ORC. In the event that Council would change the benefits in this ordinance, any project that would qualify will qualify until the next tax year and would be eligible. A completed project would consist of receiving a permit for occupancy during that calendar year of eligibility. The eligible party would utilize the current authorized limits at the date of application for exemption.

Section 9: The Community Reinvestment Area Housing Council shall make an annual inspection of properties within the CRA for which an exemption has been granted under Section 3735.67 of the ORC. The Housing Council shall also hear appeals under 3735.70 or the ORC.

Section 10: The Village Council hereby finds and determines that all formal actions relative to the passage of this Ordinance was taken in an open meeting of the Village Council, that all deliberation of this Village 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: This Ordinance shall take effect and be in force from and after the earliest period allowed by law and upon confirmation by the Ohio Director of Development of the findings in this Ordinance. This Ordinance shall take precedence over any previous Ordinances passed by the Village relating to Community Reinvestment Areas.

Section 12: The Mayor of the Village of Glandorf is hereby authorized to petition the Director of Development to confirm the findings containing within this Ordinance.

ADOPTED: March 5, 2019 First Reading  
April 2, 2019 Second Reading  
May 7, 2019 Third Reading

ATTEST:

APPROVED:

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Marilyn Ellerbrock, Fiscal Officer

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Gene Warnecke, Mayor