



Legislation Details (With Text)

File #: O-063-19 **Version:** 1 **Name:**

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File created: 1/23/2019 **In control:** Economic Development Department

On agenda: 2/5/2019 **Final action:** 2/5/2019

Title: Designating the West Toledo Community Reinvestment Area as a Community Reinvestment Area; authorizing tax exemptions for remodeling and new construction; authorizing the Department of Neighborhood and Business Development to carry out a Community Reinvestment Program within the West Toledo Community Reinvestment Area; designating the Director of the Department of Neighborhood and Business Development as Housing Officer; approving certain administrative procedures for the establishment of the West Toledo Community Reinvestment Area pursuant to Ohio Revised Code §§ 3735.65 through 3735.70 as amended; making certain findings with respect thereto; and declaring an emergency.

Sponsors: Eileen Granata

Indexes:

Code sections:

Attachments: 1. Map, 2. Aerial View, 3. Exhibit B, 4. Audio: Agenda Review 1/29/2019, 5. Audio: City Council 2/5/2019

Date	Ver.	Action By	Action	Result
2/5/2019	1	City Council	amend	Pass
2/5/2019	1	City Council	Dispense with the rules of Council requiring...	Pass
2/5/2019	1	City Council	declare emergency	Pass
2/5/2019	1	City Council	passage	Pass

DEBD West Toledo CRA
 Real Estate Section/Law
 Burkett (x1692); Granata (x-1034)

Designating the West Toledo Community Reinvestment Area as a Community Reinvestment Area; authorizing tax exemptions for remodeling and new construction; authorizing the Department of Neighborhood and Business Development to carry out a Community Reinvestment Program within the West Toledo Community Reinvestment Area; designating the Director of the Department of Neighborhood and Business Development as Housing Officer; approving certain administrative procedures for the establishment of the West Toledo Community Reinvestment Area pursuant to Ohio Revised Code §§ 3735.65 through 3735.70 as amended; making certain findings with respect thereto; and declaring an emergency.

SUMMARY & BACKGROUND:

The Real Estate Division of the Department of Neighborhood and Business Development has been requested to create the West Toledo Community Reinvestment Area (“**WTCRA**”) to include the area roughly bounded by bounded by Tremainsville Rd., Jackman Rd., South Cove Blvd., Dorr St., Secor Rd., Kenwood Blvd., Manchester Dr., Carskaddon Ave., Seckinger Dr., Secor Rd. and the northern boundary of the Toledo School District.

The creation of this CRA will enable the City to provide tax incentives for economic development, job creation and housing investment within the CRA boundary to encourage economic stability, growth and the maintenance of property values. A housing survey has been completed which indicates that there are structures of historical or architectural significance in the designated area, that reinvestment has been discouraged; that there are structures located within the proposed designated area in need of remodeling and areas available for new construction. Ohio Revised Code §§ 3735.65 through 3735.70, as amended, commonly known as the Community Reinvestment Area Tax Exemption Law, permit municipalities to grant real property tax exemptions to encourage the construction and remodeling of structures.

WTCRA exemptions for commercial or industrial property shall be subject to the property owners executing an agreement for payment in lieu of taxes with the Toledo Public Schools, and other requirements specified under the Revised Code and this Ordinance.

Preservation in the proposed designated neighborhoods, rehabilitation, and stability of the neighborhood and commercial areas may be encouraged and advanced by creation of a Community Reinvestment Area. In order to obtain the tax exemption benefit of the Community Reinvestment Area law, the requirements of Sections 3735.65 through 3735.70 of the Ohio Revised Code as amended must be followed in all particulars.

NOW, THEREFORE, Be it ordained by the Council of the City of Toledo:

SECTION 1. That the following described area is designated as the West Toledo Community Reinvestment Area as Council finds such area has the conditions described in Ohio Revised Code (“RC”) § 3735.65(B) as amended.

The West Toledo Community Reinvestment Area is approximately depicted as the outlined area on the map attached to and incorporated into this Ordinance as Exhibit A.

A legal description of the West Toledo Community Reinvestment Area (“WTCRA”) is attached to and incorporated into this Ordinance as Exhibit B.

SECTION 2. That WTCRA shall be subject to the provisions and requirements of RC §§ 3735.65 through 3735.70 as amended; that the Director of the Department of Neighborhood and Business Development (DNBD) is designated as the Housing Officer for the WTCRA; that the Mayor and DNBD are authorized to negotiate the terms of an agreement with any property owner applying for tax exemption for any remodeling or new construction of commercial or industrial structures within the WTCRA as required by RC § 3735.671 and the terms of this Ordinance.

SECTION 3. That, pursuant to authority provided in RC §3735.66, for the limited purposes of RC §§ 3735.65 to 3765.70, the WTCRA, and terms of this Ordinance, a structure containing more than four dwelling units shall be classified as a commercial structure, along with such other structures as may be classified as commercial for zoning and other purposes under the Toledo Municipal Code (“Commercial Structures”).

SECTION 4. That pursuant to authority provided in RC §3735.66, for the limited purposes of RC §§ 3735.65 to 3765.70, the WTCRA, and terms of this Ordinance, a structure containing no more than four dwelling units shall be classified as a residential structure (“Residential Structure”).

SECTION 5. That in order to be eligible for an exemption as provided in Section 8(B) or (D), property owners applying for a tax exemption for any remodeling or new construction of Commercial Structures or industrial structures shall enter into an agreement with the Toledo Public Schools (“School District”), whose boundaries encompass the WTCRA, to make payments in lieu of taxes to the School District in an amount

equal to the tax revenues that would otherwise be received by the School District but for the exemption, or in an amount negotiated with and agreed to by the School District.

SECTION 6. That prior to the commencement of construction or remodeling for any Commercial Structure or industrial structure and prior to the approval of any exemption as provided in Section 8(B) or (D) below, the property owner shall execute an agreement with the City (“Agreement”), which shall incorporate the agreement with the School District, and which Agreement shall comply with the requirements of RC §3735.671 and be approved by Council.

SECTION 7. That any real property within the West Toledo Community Reinvestment Area that is subject to a tax increment financing property tax exemption shall not be eligible for a community reinvestment area exemption hereunder, unless waived by Council or otherwise provided under Ohio law. Conversely, any real property within the WTCRA that is receiving a community reinvestment area tax exemption shall not be eligible for a tax increment financing property tax exemption, unless waived by Council or otherwise provided under Ohio law.

SECTION 8. That the construction of new structures and the remodeling of existing structures within the WTCRA are declared to be a public purpose for which exemptions from real property taxation may be granted as provided below, subject to other provisions of this Ordinance.

- A. For the remodeling of a dwelling containing not more than four family units and upon which the cost of remodeling is at least Two Thousand Five Hundred and 00/100 Dollars (\$2,500.00), an exemption shall be granted for one-hundred percent (100%) of the additional new assessed value as a result of the remodeling for a period of ten (10) years.
- B. For the new construction of a dwelling containing not more than four family units, an exemption shall be granted for one-hundred percent (100%) of the additional new assessed value resulting from the construction for a period of 15 years.
- C. For the remodeling of an existing Commercial Structure or industrial structure for which the cost is at least Five Thousand and 00/100 Dollars (\$5,000.00), an exemption may be granted for up to one-hundred percent (100%) of the new assessed value as a result of the remodeling for a period of up to twelve (12) years;
- D. For the new construction of a Commercial Structure or industrial structure, an exemption of up to 100% of the new assessed value as a result of the new construction may be granted for a period of up to fifteen (15) years.

SECTION 9. That the Housing Officer shall verify the construction of the new structure or the cost of remodeling and the facts asserted in the application. The Housing Officer shall determine whether the construction or the cost of remodeling meet the requirements for an exemption under RC § 3735.67 and as provided in this Ordinance.

SECTION 10. That the Housing Officer shall forward applications which meet the requirements for the exemption to the Lucas County Auditor with a certification stating the division of RC§ 3735.67 as amended, under which the exemption is to be granted, and the period of the exemption as provided under this Ordinance and as specified in an Agreement executed pursuant to the above Sections 6 and 8.

SECTION 11. The tax exemption granted pursuant to this Ordinance shall first apply in the year the

construction or remodeling would be taxable, except as otherwise allowed under RC § 3735.67(F). If the remodeling qualifies for an exemption under Section 8 (A) or (C), the dollar amount by which the remodeling increased the market value of the structure shall be exempt from real property taxation for the exemption period granted. If the construction of the new structure qualifies for an exemption under Section 8 (B) or (D), the structure shall not be considered an improvement on the land on which it is located for the purpose of real property taxation for the exemption period granted.

SECTION 12. That a WTCRA Housing Council (“Housing Council”) shall be appointed pursuant to Section 3735.69 of the Ohio Revised Code as amended. The Housing Council shall be composed of two members appointed by the Mayor, two members appointed by the Toledo City Council, and one member appointed by the Toledo City Plan Commission. The majority of the foregoing members shall then appoint two additional members who shall be City residents. Terms of the members of the Housing Council shall be for three years. Terms resulting from a vacancy in the Housing Council shall be filled in the same manner as the initial appointment was made.

SECTION 13. That the Housing Officer shall make annual inspections of the properties within the Reinvestment Area upon which are located new structures or remodeling for which an exemption has been granted under RC § 3735.67, as amended. If the Housing Officer finds that the property has not been properly maintained or repaired due to the neglect of the owner, the Housing Officer may revoke the tax exemption at any time after the first year of exemption. The Housing Officer shall notify the Lucas County Auditor and the owner of the property that the tax exemption no longer applies. If the Housing Officer revokes a tax exemption, he shall send a report of the revocation to the WTCRA Housing Council containing a statement of his findings as to the maintenance and repair of the property and his reason for revoking the exemption.

SECTION 14. That the Housing Council shall make an annual inspection of the properties for which an exemption has been granted within the WTCRA and hear appeals as provided by RC § 3735.69.

SECTION 15. That any person aggrieved under this Ordinance may appeal to the Housing Council, which shall have the authority to overrule any decision of the Housing Officer by a majority vote. Appeals may be taken from a decision of the Housing Council to the Lucas County Court of Common Pleas.

SECTION 16. That the owner of any real property located in the WTCRA may file an application for a property tax exemption with the DNBD, in accordance with the terms of the WTCRA as provided herein, following the date of enactment of this Ordinance, provided that no tax exemption shall be approved under this Ordinance until the Director of the Ohio Development Services Agency issues a determination accepting the findings of this Ordinance and assigning a designation to the WTCRA.

SECTION 17. That a copy of this Ordinance shall be forwarded to the Lucas County Auditor by the Clerk of Council for information and reference, and a copy of this Ordinance shall be published in a newspaper of general circulation once a week for two consecutive weeks immediately following its passage.

SECTION 18. That it is found and determined that all formal actions of Council concerning and relating to the passage of this Ordinance were adopted in an open meeting of Council, and that all deliberations of this Council and of its committees that resulted in such formal action were in meetings open to the public, in compliance with all legal requirements, including Section 121.22 of the Ohio Revised Code.

SECTION 19. That this Ordinance is declared to be an emergency measure and shall be in force and effect from and after its passage. The reason for the emergency lies in the fact that same is necessary for the immediate preservation of the public peace, health, safety, and property, and for the further reason that the

Ordinance must be immediately effective as same is necessary for neighborhood redevelopment and revitalization within the West Toledo Community Reinvestment Area.

Vote on emergency clause: yeas _____, nays _____.

Passed: _____, as an emergency measure: yeas _____, nays _____.

Attest: _____
Clerk of Council

President of Council

Approved: _____

Mayor

I hereby certify that the above is a true and correct copy of an Ordinance passed by Council

_____.

Attest: _____
Clerk of Council