

ORDINANCE 02-08

AN ORDINANCE AMENDING ORDINANCE #12-01-07 AND 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 ROCKFORD AND DESIGNATING A HOUSING OFFICER TO ADMINISTER THE PROGRAM AND CREATING A COMMUNITY REINVESTMENT HOUSING COUNCIL AND A TAX INCENTIVE REVIEW COUNCIL, AND DECLARING AN EMERGENCY.

WHEREAS, the council of the Village of Rockford (hereinafter "Council") desires to pursue all reasonable and legitimate incentive measures to assist and encourage development in specific areas of the Village of Rockford 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 and the construction of new structures in the Community Reinvestment Area constitutes a public purpose for which real property exemptions may be granted.

WHEREAS, the Village of Rockford passed Ordinance #12-1-07 on January 22, 2008 on three readings, but upon recommendation of Ohio Director of Development, Council finds it to be in the best interest of the Village to amend certain provisions contained in Ordinance #12-1-07 with regard to residential improvements that qualify for tax exemption.

NOW THEREFORE, BE IT ORDAINED BY THE VILLAGE OF ROCKFORD, MERCER COUNTY, OHIO THAT:

Section 1 – The area designated at the Rockford Community Reinvestment Area 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 3735-66, Rockford Community Reinvestment Area, is hereby established in the following described area:

All areas which are located within the Village of Rockford Corporation Limits.

The Rockford Community Reinvestment Area is approximately depicted as the crosshatched 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 Rockford Community Reinvestment Area will be eligible for exemptions under the Program.

Section 3. All properties identified in Exhibit A as being within the designated Rockford Community Reinvestment Area are eligible for this incentive. The Village may determine that all or any combination of project types – residential, commercial, and industrial as eligible. This 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 Rockford intended to undertake supporting public improvements in the designated area.

Section 4. Within the Rockford Community Reinvestment Area, the percentage of the tax exemption of 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 the 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 property 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.

- (a) 50% for 5 years, (term the same for all) for the construction or remodeling of dwellings and upon which the cost of remodeling is at least \$2,500, as described in ORC Section 3735.67.
- (b) 50% for 5 years, (negotiated 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.
- (c) 50% for 5 years, (negotiated up to 15 years) for new commercial or industrial facilities shall be negotiated on a case by case basis in advance of construction occurring.

If remodeling qualifies for an exemption, during the period of the exemption, the exempted percentage of the dollar amount of the increase in 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 to be 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 required to comply with the state application fee requirements or ORC Section 3735.672 (C) and the local annual monitoring fee of one percent of the amount of taxes exempted under this agreement a minimum of \$500 up to a maximum of \$2500 annually (the monitoring fee is a local option).

Section 6. To administer and implement the provisions of the Ordinance, the Rockford Village Administrator, is designated as the Housing Officer as described in ORC Sections 3735.65 through 3735.70.

Section 7. That a "Community Reinvestment Area Housing Council" shall be created, consisting of two members appointed by the mayor of the Village of Rockford, two members appointed by the Council of the Village of Rockford, and one member appointed by the planning Commission of the Village of Rockford. The majority of the members shall then appoint two additional members who shall be residents within the area. Terms of the members of the Council shall 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.

A Tax Incentive Review Council 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 Municipal CEO with Council concurrence, the county auditor or designee and a representative of each affected Board of Education. At least two members must be residents of the Village of Rockford. The Tax Incentive Review Council shall review annually the compliance of all agreements involving the granting exemptions for commercial or industrial real property improvements under Section 3735.671 of the ORC and make written recommendations to the Council as to continuing, modifying or terminating said agreement based upon the performance of the agreement.

Section 8. The council reserves the right to re-evaluate the designation of the Rockford Community Reinvestment Area after December 31, 2008, at which time the Council may direct the Housing Officer not to accept any new applications for exemptions as described in Section 3735.67 of the ORC.

Section 9. The Community Reinvestment Area 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 Council shall also hear appeals under 3735.70, of the ORC.

Section 10. The Council hereby finds and determines that all formal actions relative to the passage of the Ordinance were taken in an open meeting of this Council that all deliberations of this 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. All prior legislation inconsistent herewith is hereby repealed.

Section 12. That this Ordinance is deemed to be an emergency measure necessary for the immediate preservation of the public peace, health, safety, and welfare of the citizens of the Village of Rockford, Ohio. Therefore, this Ordinance shall take effect and be in force immediately from and after its passage and upon confirmation by the Director of Development of the findings in this Ordinance.

Section 13. The Mayor of the Village of Rockford is hereby directed and authorized to petition the Director of Development to confirm the findings contained within this Ordinance.

PASSED THIS 19<sup>TH</sup> DAY OF FEBRUARY 2008.