

Kevin Corcoran, Mayor
Roxann Caserio, NR City Schools Superintendent
Bruce Abens, Ward 3 Council Member
Jacqueline Hudgens, Member
Jennifer Swallow, Member

April Wilkerson, Director of Finance
Kim Lieber, Planning & Economic Development Director



HOUSING COUNCIL MEETING
CITY HALL COUNCIL CHAMBERS
AGENDA OF WEDNESDAY, APRIL 19, 2023
2:00 PM

CALL TO ORDER

PLEDGE OF ALLEGIANCE

ROLL CALL

NEW BUSINESS

Appointment of Chair/Vice Chair

Appointment of Members

Review of Community Reinvestment Area Program

-Amended CRA Resolution

-City-School Agreement

Proposed CRA Program Guidelines

ADJOURNMENT

Visit the City Council webpage to access agenda items:
<http://www.nridgeville.org/Council.aspx>

DATE:	<u>August 15, 2022</u>	1 ST READING:	<u>August 15, 2022</u>
INTRODUCED BY:	<u>Mayor Corcoran</u>	2 ND READING:	<u>September 6, 2022</u>
REFERRED BY:	<u></u>	3 RD READING:	<u>September 19, 2022</u>
TEMPORARY NO:	<u>T 123-2022</u>	ADOPTED:	<u>September 19, 2022</u>

RESOLUTION NO. 1576-2022

A RESOLUTION REVISING COMMUNITY REINVESTMENT AREA REQUIREMENTS BY AMENDING RESOLUTION NO. 768-94.

WHEREAS, pursuant to Ohio Revised Code (“ORC”) Sections 3735.65 et seq., this Council, on June 24, 1994, adopted its Resolution No. 768-94 (the “Original CRA Resolution”), in which it found that certain areas located within the City (described in the Original CRA Resolution and referred to as “Area No. 14,” which was defined as the corporate boundaries of the City of North Ridgeville and all area located within said boundaries) contained housing facilities, or structures of historical significance, wherein new housing construction and repair of existing facilities or structures were being discouraged, and that maintenance and construction of those structures would serve to encourage economic stability, maintain real property values and generate new employment opportunities, and established Area No. 14 coextensive with the boundaries of that area to provide real property tax exemptions for certain improvements to real property within that area; and

WHEREAS, Resolution No. 768-94 established the Community Reinvestment Area No. 14 Housing Council with composition, powers, duties, and functions consistent with the Ohio Revised Code; and

WHEREAS, this Council desires to modify the tax exemptions available within Area No. 14 and to clarify and expand the role of the Housing Council.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF NORTH RIDGEVILLE, LORAIN COUNTY, OHIO, THAT:

SECTION 1. Section 3 of the Original CRA Resolution is hereby amended and restated in its entirety to read as follows:

That within Community Reinvestment Area No. 14, tax exemptions for improvements to real property as described in ORC Section 3735.67 may be granted for up to the following periods:

- (a) Five (5) years for the remodeling of every dwelling containing not more than two family units upon which the cost of remodeling is at least ten thousand dollars (\$10,000) as described in ORC Section 3735.67(D)(1).

- (b) Twelve (12) years for the remodeling or expansion of every dwelling containing more than two units, and commercial or industrial properties, upon which the cost of remodeling is at least twenty thousand dollars (\$20,000) as described in ORC Section 3735.67(D)(2).
- (c) Fifteen (15) years for the construction of every commercial or industrial structure as described in ORC Section 3735.67(D)(4).

To grant any tax exemption for commercial or industrial structures under the foregoing paragraphs (b) or (c), the City and the owner of the property to be exempted must enter into an agreement. For purposes of ORC Section 3735.66 and this resolution, a structure composed of more than two residential units is classified as commercial property. The percentage of improvement exempted shall be the percentage set forth in the agreement if the structure or remodeling is to be used for commercial or industrial purposes or 100% if the structure or remodeling is to be used for residential purposes. The Housing Officer may require a pre-application for any exemption to ensure compatibility with neighborhood plans, to insure the maintenance of existing development patterns, style, scale, setbacks, and landscaping features compatible with nearby properties, and to coordinate the tax exemptions with other tax exemptions that apply to the property. The tax exemptions granted pursuant to this Resolution are subject and subordinate to tax exemptions granted pursuant to ORC Section 5709.40 or 5709.41 unless a different priority is designated by the Housing Officer in that officer's approval of a pre-application or final application for a tax exemption under this Resolution. Nothing in this Section shall be construed to require the City to approve a pre-application for any property or enter into an abatement agreement and grant the tax exemption provided hereunder for commercial and industrial property.

SECTION 2. Chapter 282 (Tax Abatement Review Board) of the North Ridgeville Codified Ordinances be repealed and that the Housing Council as established in Section 6 of the Original CRA Resolution is hereby authorized to create such policies and guidelines needed to administer the City's Community Reinvestment Area Program, as amended from time to time, including the establishment of application fees.

SECTION 3. Except as amended by Resolution 1415-2017 and as amended hereby, the Original CRA Resolution shall remain in full force and effect. Any agreement entered into prior to the effective date of this Resolution shall continue in accordance with the terms of that agreement.

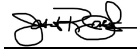
SECTION 4. A copy of this Resolution will be forwarded to the Lorain County Auditor and the Director of the Ohio Department of Development by the Clerk of Council for information and reference.

SECTION 5. This Council finds and determines that all formal actions of this Council and any of its committees concerning and relating to the passage of this Resolution were taken in an open meeting of this Council or its committees and that all deliberations of this Council and any of

its committees that resulted in those formal actions were in meetings open to the public, all in compliance with the law including ORC Section 121.22.

SECTION 6. This Resolution shall take effect and be in full force from and after the earliest period allowed by law.

PASSED: September 19, 2022



Jason R. Jacobs
PRESIDENT OF COUNCIL

ATTEST :



Nicholas Ciofani
CLERK OF COUNCIL

APPROVED: Sep 22, 2022



Kevin Corcoran
MAYOR

DATE: May 6, 2019
INTRODUCED BY: Mayor Gillock
REFERRED TO: _____
TEMPORARY NO: T 55-2019

1st READING: May 6, 2019
2nd READING: May 20, 2019
3rd READING: June 3, 2019
ADOPTED: June 3, 2019

ORDINANCE NO. 5648-2019

AN ORDINANCE AUTHORIZING THE MAYOR TO RENEW AN AGREEMENT WITH THE NORTH RIDGEVILLE CITY SCHOOL DISTRICT RELATING TO THE TAX REVENUE EFFECTED BY TAX ABATEMENT AGREEMENTS WHICH PROMOTE THE HEALTH, SAFETY AND WELFARE OF THE CITIZENS OF THE CITY AND THE SCHOOL DISTRICT.

WHEREAS, the City of North Ridgeville ("City") has authority under Ohio law to abate taxes on certain parcels of real estate to promote economic development in the City; and

WHEREAS, the City has granted such tax abatement for certain development projects in the City which are also within the boundary of the North Ridgeville City School District ("School District"); and

WHEREAS, the City recognizes that a quality school system is essential to the health, safety and welfare of the citizens of the City; and

WHEREAS, on or about November 15, 1999, City Council adopted Ordinance No. 3518-99, authorizing the Mayor to enter into an agreement, including its supplement (Ordinance No. 3730-01, passed October 1, 2001), with the School District for the five-year term from January 1, 2000 through December 31, 2004, inclusive, that provided, among other things, for payments by the City to the School District of amounts that may replace, in whole or in part, the possible lost revenue to the School District by virtue of the City's tax abatement of certain real estate parcels and development projects which are instituted to facilitate economic development in the City, improve the quality of the school system serving all of the citizens of the City, enhance property values and City revenues, and improve the quality of the City's services, among other benefits, all of which will promote the health, safety and welfare of the citizens of the City; and

WHEREAS, by Ordinance No. 4078-2004, the agreement was renewed for a five (5) year term from January 1, 2005 through December 31, 2009, then subsequently renewed for a five (5) year term from January 1, 2010 through December 31, 2014, by Ordinance No. 4708-2009, and then subsequently renewed for a five (5) year term from January 1, 2015 through December 31, 2019 by Ordinance No. 5201-2015; and

WHEREAS, it is desirable and beneficial for the City to enter into a renewal of the agreement with the School District regarding the payment of certain sums to replace, in whole or in part, the School District's lost revenues from the City's grant of certain tax abatements.

NOW THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF NORTH RIDGEVILLE, LORAIN COUNTY, OHIO, THAT:

SECTION 1. The Mayor is hereby authorized to enter into an Agreement, in substantially the form set forth as **Exhibit "A"** attached hereto and incorporated herein by reference, between the City and the School District.

SECTION 2. Council hereby finds and determines that the execution, delivery and performance of the Agreement attached as Exhibit "A" is a proper public purpose for the promotion of the health, safety and welfare of the citizens of the City.

SECTION 3. It is found and determined that all formal actions of this Council concerning and relating to the adoption of this Ordinance were conducted in an open meeting of this Council, and that all deliberations of this Council and any of its committees that resulted in such formal action were in meetings open to the public in accordance with all legal requirements, including §121.22 of the Ohio Revised Code.

SECTION 4. This Ordinance shall take effect and be in full force from and after the earliest period allowed by law.

PASSED: June 3, 2019



PRESIDENT OF COUNCIL

ATTEST :



CLERK OF COUNCIL

APPROVED: Jun 4, 2019



MAYOR

Exhibit "A"**AGREEMENT**

THIS AGREEMENT (the "Agreement") is entered into by and between THE CITY OF NORTH RIDGEVILLE, OHIO (the "City") and THE NORTH RIDGEVILLE CITY SCHOOL DISTRICT (the "School District").

RECITALS

A. The City has authority under Ohio law to abate or otherwise exempt certain real estate parcels and development projects from taxes to promote economic development in the City.

B. The City has granted tax abatement for certain real estate parcels and development projects in the City which are within the boundaries of the School District.

C. Tax abatement of real estate parcels and development projects located within the School District deprives the School District of tax revenues the School District would otherwise received.

D. A quality school system is essential to the welfare of the citizens of the City in that such a system, directly and indirectly, promotes the health, safety and welfare of the citizens, attracts businesses and residents, expands the City's tax base thereby enhancing City services for all residents of the City.

PROVISIONS

NOW THEREFORE, in consideration of the foregoing Recitals, the mutual benefits to be obtained by the parties hereto pursuant to the provisions of this Agreement, the promises of each of the parties to be bound by the terms hereof, and other good and valuable considerations, the receipt of which is hereby acknowledged, it is agreed as follows:

1. City Payment Formula. Amounts owing to the School District shall accrue commencing as of January 1, 2020 and continuing thereafter. The City shall pay directly to the School District or cause to be paid to it, the lower of either (a) fifty percent (50%) of the income tax revenues ("Taxes") which the City derives from all business or persons located or residing on parcels for which taxes have been or in the future will be abated for the time period of the abatement ("Abated Properties") or persons who meet the criteria established by the City Income Tax Ordinance and all subsequent amendments thereto for payment of City income taxes at these "Abated Properties," or (b) an amount equal to the portion of property tax revenues the School District would have otherwise annually received from the abated properties but for tax abatement granted by the City. All amounts paid to the School District pursuant to (a) or (b) above shall be net five percent (5%) administrative charge which shall be initiated by the City for its expenses in administering this program. In no event shall payments by the City to the School District in any year exceed the amount of property tax revenue the School District would otherwise have

derived from the Abated Properties but for the tax abatement granted by the City. Payments under the provisions of this Agreement shall be subject to the annual appropriation procedures of the City. In addition, should the state of Ohio change the funding for school districts in such a way as to financially benefit the North Ridgeville City School beyond its current level of funding (*i.e.*, increase in unvoted millage, direct payments, etc.), then, in that event, the reimbursements paid pursuant to this section shall be modified and adjusted in relation to the change in funding on a dollar for dollar basis.

2. Timing of Payments. The first payment to the School District shall be made as soon as is reasonably possible following prompt determination of the amount owed under this Agreement commencing with the year in which the School District would have received its first real estate property settlement for the abated property. Payment shall be made by the City or by the owner/occupier of the abated parcel in accordance with current or future state law directly to the School District in accordance with a procedure for payment developed and implemented by the City. Additional payments shall be made on the first day of all subsequent calendar quarters, *i.e.*, January 1, April 1, July 1, and October 1 of each year, or as soon thereafter as is reasonably possible. Payments shall be based upon revenues actually received (net of refunds or adjustments), not income tax revenues owed but not yet received.

3. Review of Revenues. The City hereby grants the School District from time to time the right to review the books and records of the City relating to its receipt of income taxes, to verify the amount of taxes received by the City with respect to the abated properties. Nothing in this paragraph shall vest the School District with any greater authority or right to review individual taxpayer records than that right which may already exist under the law and individual taxpayer's rights of confidentiality shall be preserved. In all future tax abatement agreements, the City shall reserve unto North Ridgeville City Schools the right to directly audit payroll and other records to verify the abated company's municipal income tax obligation.

4. Reports. At the time that the City distributes payments to the School District, the Auditor of the City shall provide a report to the School District indicating the amount of taxes received by the City from the abated properties and in addition, such appropriate information as the City may possess relating to quarterly estimated tax payments received by it.

5. Term. The term of this Agreement will commence after the City and School District have signed this Agreement beginning on January 1, 2020 and will continue until December 31, 2024. This Agreement shall apply only to those properties granted abatements after the effective date of Ordinance No. _____ - 2019.

6. Representations, Warranties and Covenants of the City. The City represents, warrants and covenants to the School District that (a) the City is a charter municipality under the Constitution and laws of the state of Ohio; (b) it has the authority to enter into this Agreement; (c) it has taken all actions necessary to authorize the execution, delivery and performance of the provisions of this Agreement; (d) this Agreement serves valid public purposes as described herein; (e) this Agreement does not constitute a "debt" within the meaning of Ohio Constitution Article VIII; (f) the City has and will continue to take all reasonable steps necessary to collect

the taxes, if any, due and owing from the abated properties; and (g) all tax abatements granted with regard to the abated properties are lawful, valid and enforceable.

7. Representations, Warranties and Covenants of the School District. The School District represents, warrants and covenants to the City that (a) it is duly formed under the laws of the state of Ohio; (b) it has the authority to enter into this Agreement; (c) the execution of this Agreement will be valid, binding and enforceable upon the School District in accordance with its terms; (d) the amounts received by the School District as payments under this Agreement shall be applied by the School District to improve and promote the quality of City public schools to achieve the City public purposes herein described; and (e) that in consideration of the mutual covenants and agreements herein contained, the School District does hereby, during the term of this Agreement, consent to and does hereby recommend all future tax abatement review and comment rights as currently set forth in the Ohio Revised Code (as may, from time to time, be amended during the term of this Agreement). Passage, approval and execution of this Agreement shall fulfill School District tax abatement review rights and requirements of law.

8. Mutual Indemnification. In the event any claim is filed or cause of action arises regarding this Agreement or the rights, duties, obligations and liabilities of either party under this Agreement, each party shall indemnify and hold the other party harmless for fifty percent (50%) of all costs and expenses (including attorney fees) incurred by the parties to this Agreement with respect to any such claim or cause of action.

9. No Guarantee by City. Each party to this Agreement acknowledges and agrees that (a) the City has not guaranteed payments of a certain amount to the School District and that payments may vary from year to year based on the amount of Taxes generated by the Abated Properties, and (b) the amount of the payments to the School District shall not exceed in any year that portion of tax revenues the School District would have otherwise annually received from the abated properties but for tax abatement granted by the City.

10. Delivery of Documents. On or before the effective date of this Agreement (a) the City will provide to the School District a copy of the Ordinance passed by the City granting the City the right to enter into this Agreement and make payments pursuant to the terms of this Agreement, and (b) the School District will provide to the City a copy of the Resolution passed by the School District authorizing it to enter into this Agreement with the City.

11. Use of Funds. The parties further agree that the School District shall place the funds received from the City into its General Fund and designate it for use within said fund for uses other than direct labor or retirement cost.

12. Miscellaneous Provisions.

(a) Further Acts. Upon the request of either party to this Agreement, the other party shall do, execute, acknowledge and deliver, or cause to be done, executed, acknowledged, and delivered, all such further acts, documents and instruments as may be reasonably required to effect any of the actions by either party required by this Agreement.

(b) Amendments. The terms of this Agreement shall not be modified, terminated, canceled or amended in any manner except in writing, signed by both parties to this Agreement.

(c) Entire Agreement. This Agreement sets forth the entire agreement and understanding between the parties as to the subject matter hereof and merges and supersedes all prior discussions, agreements, and undertakings of every kind and nature between the parties with respect to the subject matter of this Agreement.

(d) Successors and Assigns. This Agreement and the rights, duties and obligations described under this Agreement shall be binding upon and shall inure to the benefit of the parties to this Agreement and their respective successors and assigns.

(e) Notices. All reports, certificates and other notices which are required to or may be given pursuant to the provisions of this Agreement shall be in writing and shall be sent by United States ordinary mail, postage prepaid, and shall be deemed to have been given or delivered when so mailed to the following addresses:

If to the City: North Ridgeville City Hall
7307 Avon Belden Road
North Ridgeville, Ohio 44039
Attention: MAYOR

If to the School District: North Ridgeville City Schools
5490 Mills Creek Road
North Ridgeville, Ohio 44039
Attention: SUPERINTENDENT

Either party may change its address for receiving notices and reports by giving written notice of such change to the other party.

(f) Severability of Provisions. The invalidity of any provision of this Agreement shall not affect the other provisions of this Agreement, and this Agreement shall be construed in all respects as if any invalid provisions were omitted.

(g) Counterparts. This Agreement may be executed in any number of counterparts, all of which taken together shall constitute one and the same instrument, and any party to this Agreement may executed this Agreement by signing any such counterpart.

(h) Governing Law. This Agreement shall be interpreted under the law of the state of Ohio.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed this ____ day of _____, 20__.

CITY OF NORTH RIDGEVILLE, OHIO

By: _____
Mayor G. David Gillock

**THE NORTH RIDGEVILLE CITY OHIO
SCHOOL DISTRICT**

By: _____
Title

FISCAL OFFICER’S CERTIFICATE

The undersigned, fiscal officer of the City of North Ridgeville, Ohio, hereby certifies that the monies required to meet the obligations of such City during the year _____ under the Agreement dated _____, 20__ between such City and The North Ridgeville City School District have been lawfully appropriated by the Council of such City for such purposes and are in the treasury of such City or in the process of collection to the credit of an appropriate fund, free from any previous encumbrances. This Certificate is given in compliance with Sections 5705.41 and 5705.44 of the Ohio Revised Code.

Dated: _____
Fiscal Officer

SUPPLEMENT TO AGREEMENT

This Supplement to Agreement (the “Supplement”) is entered into by and between the city of North Ridgeville, Ohio (the “City”), and the North Ridgeville City School District (the “School District”), and supplements the Agreement dated _____ between the City and the School District (the “Original Agreement”) in connection with tax abatement matters (all capitalized terms not defined in this Supplement, being used as defined in the Original Agreement).

RECITALS

A. Under the Original Agreement the City has agreed to pay the School District a portion of the income tax revenues which the City derives from businesses or persons which have received tax abatement.

B. Pursuant to Ordinance No. 3730-2001, passed by City Council on October 1, 2001; Ordinance No. 4078-2004 passed by City Council on November 15, 2004; and Ordinance No. 4708-2009 passed by City Council on December 21, 2009; and pursuant to School District Resolution No. 01:8-154, adopted August 28, 2001, the City and School District have agreed to amend or supplement the Original Agreement to provide that its terms apply to tax increment financing programs, as well as to tax abatement programs.

C. The City and the School District by this document seek to renew the terms of the Original Agreement.

PROVISIONS

NOW THEREFORE, in consideration of the foregoing recitals, the mutual benefits to be obtained by the parties hereto pursuant to provisions of the Original Agreement as supplemented by this Supplement, the promises of each of the parties to be bound by the terms hereof and other good and valuable considerations, the receipt of which is hereby acknowledged, it is agreed as follows:

1. The terms “Abated Properties”, “abated parcel(s)” and “abated property” as used in the Original Agreement shall include those properties which have been exempted pursuant to Ohio Revised Code Sections 5709.40 through 5709.43 or Ohio Revised Code Chapter 725 (the “Tax Increment Financing Programs”).
2. The term “tax abatement” as used in the Original Agreement shall include tax exemptions pursuant to the Tax Increment Financing Programs.
3. The parties hereby confirm that all other provisions of the Original Agreement shall remain in full force and effect, as amended by this Supplement.

IN WITNESS WHEREOF, the parties have caused this Supplement to be executed this _____ day of _____, 20__.

CITY OF NORTH RIDGEVILLE, OHIO

By: _____
Mayor G. David Gillock

**THE NORTH RIDGEVILLE CITY OHIO
SCHOOL DISTRICT**

By: _____
Title

FISCAL OFFICER'S CERTIFICATE

The undersigned, fiscal officer of the City of North Ridgeville, Ohio, hereby certifies that the monies required to meet the obligations of such City during the year _____ under the Agreement dated _____, 20__ between such City and the North Ridgeville City School District have been lawfully appropriated by the Council of such City for such purposes and are in the treasury of such City or in the process of collection to the credit of an appropriate fund, free from any previous encumbrances. This Certificate is given in compliance with Sections 5705.41 and 5705.44 of the Ohio Revised Code.

Dated: _____

Fiscal Officer

Community Reinvestment Area
PROGRAM GUIDELINES



INTRODUCTION

- A. **Intent.** The City of North Ridgeville (City) sets out in these guidelines the policies and procedures applicable to the City’s Community Reinvestment Area Program. These guidelines will be adopted by the City’s Housing Council and may be amended from time to time based on actual experience with specific projects.
- B. **Pre-1994 CRA.** The City’s Community Reinvestment Area (CRA) was established by Resolution 768-94 adopted on June 24, 1994. As such, the City’s CRA is a pre-1994 or “grandfathered” CRA.
- C. **Boundaries.** Resolution 768-94 established Community Reinvestment Area No. 14, the boundaries of which are coterminous with the corporate boundaries of the City of North Ridgeville, and all area located within said boundaries.
- D. **Amendments.** The City’s CRA Resolution has been amended twice. The first amendment, Resolution 1415-2017, was adopted on December 4, 2017. The second amendment, Resolution 1576-2022, was adopted on September 19, 2022.

RESIDENTIAL PROJECTS

- A. **Eligible Projects.** The City’s Residential CRA Program is aimed at improving property values and stimulating reinvestment in the City’s existing housing stock by abating taxes on increases in assessed valuation associated with rehabilitation. New residential construction is not considered for abatement. Residential projects meeting the minimum requirements will be processed for the abatement percentage and duration listed in the table below.

Type	Minimum Cost of Improvements	Abatement of Increased Value	Duration
Residential Rehabilitation (one or two units)	\$10,000	100%	5 Years
Residential Rehabilitation (over two units)	\$20,000	100%	12 Years

- B. **Procedure.** No pre-construction application or agreement is necessary for residential rehabilitation projects. The following procedures will be followed:
 1. Owner or contractor pulls a building permit at the North Ridgeville Building Department.
 2. Rehabilitation project is undertaken with all required inspections during construction.
 3. Upon completion of work, the owner obtains a Certificate of Occupancy or final inspection approval from the Building Department.
 4. Owner completes the Residential Tax Abatement Application and submits to the Housing Officer, who reviews the application for completeness.
 5. The Housing Officer provides notice to any impacted school districts a minimum of 14 days prior to forwarding the complete application to the Lorain County Auditor’s Office.
 6. The Lorain County Auditor conducts a field inspection and verifies completion of the project. The County Auditor makes a final determination on the actual increase in taxable value generated by the project. The Auditor then applies the approved abatement to future tax bills.

- C. **Termination.** The Housing Officer may revoke the tax abatement any time after the first year if the property has building code violations or if delinquent taxes are owed on the property. If a property owner appeals the market value of the residential property during the abatement period, the abatement will be immediately terminated.
- D. **Appeals.** Any person denied tax abatement by the Housing Officer may appeal in writing to the Housing Council. Appeals from a decision of the Housing Council may be taken to the Court of Common Pleas.

COMMERCIAL AND INDUSTRIAL PROJECTS

Part One: Applications

- A. **General Terms.** North Ridgeville considers tax abatement applications for new construction or rehabilitation of commercial or industrial properties that lead directly to job creation and/or retention within the City. Abatement periods for rehabilitation projects may be up to 12 years and for new construction projects up to 15 years. Abatement amounts are tied directly to the expected performance of the building occupant and can be for up to 100%, depending on the economic factors specific to the project.
- B. **Application Required.** All property owners seeking an abatement for new development or rehabilitation of a building must complete an application. While the entire City is within CRA No. 14, no commercial or industrial project automatically qualifies for an abatement. Each abatement is considered on its own merits, with primary consideration given for jobs and payroll created or retained.
- C. **Timing of Application.** Applications for incentives must be submitted and negotiations with the City must be initiated before a development plan application is submitted to Planning Commission for consideration, or in cases where development plan approval is not required, before any building permits are issued for the project.
- D. **Appraisal for Rehabilitation Projects.** For rehabilitation projects, applicants are required to submit an appraisal documenting the anticipated increase in market value of the property based on the proposed improvements. The appraisal must be prepared by an independent real estate appraiser, certified to conduct commercial appraisals. Proof of qualifications will be submitted with the appraisal report.
- E. **Application Fee.** Applications for tax abatement must be accompanied by a \$500 non-refundable application fee.
- F. **Review of Applications.** Completed applications will be negotiated by the Mayor and/or his designee and reviewed by the Housing Council. If recommended for approval, the terms of the abatement will be written into an agreement which must be approved by Council. The agreement will outline the responsibilities of all parties and the applicant's required performance measures, which may change from project to project.
- G. **Notification Requirements.** The City will provide required notice to any impacted school district a minimum of 14 days before any legislation is considered that would approve property tax abatement.

H. **Public Records.** All information on an application presented for approval by Council will be subject to public review.

Part Two: Review Factors and Requirements

A. **Total Economic Impact.** The City considers each abatement application on a case-by-case basis, depending on the facts and circumstances of each project. Factors may include, but are not limited to, the following:

1. Overall desirability of the project including its appropriateness for the given location, quality materials and design, zoning compatibility and/or competitive market conditions;
2. Ratio of new tax dollars created for each tax dollar abated;
3. Financial impact to local school districts; and
4. For projects located within a TIF district, the impact of abating new property taxes on expected revenue streams.

B. **Job Creation.** Attracting new companies and new jobs to the community is the primary function of CRA incentives. It is highly desirable for new companies to locate to North Ridgeville, occupying their own buildings, demonstrating a long-term commitment to the community. Evaluation criteria include:

1. Number of new jobs;
2. Amount of new payroll;
3. Type of employment and its relevance to the current workforce needs of the community;
4. Financial stability and history of the company;
5. Ability of the company to generate income taxes and make donations in lieu of taxes to the school district in excess of the incentive amount; and
6. Potential for long-term success in the community.

C. **Job Retention and Expansion.** Although CRA incentives are a primary tool to attract new companies to the City, it is possible for companies relocating from one location to another in North Ridgeville to apply for an abatement. Abatements for relocating companies will take into account the likelihood the company would move out of the City if an incentive were not granted and whether the vacated property in North Ridgeville is placed at a competitive disadvantage. Evaluation criteria include:

1. Number of new jobs to be created, not simply moved from another location in the City;
2. Amount of new payroll, not including increases in wages or salaries of existing employees;
3. Number of retained jobs and corresponding payroll;
4. Type of employment and relevance to the current workforce needs of the community;
5. Financial stability and history of the employer;
6. Ability of the company to generate income taxes and make donations in lieu of taxes in excess of the incentive amount; and
7. Potential for long-term success in the community.

D. **Basis of Calculation.** Abatement recipients will be given two years to ramp up to a minimum employment level. The third year employment estimates will be used to calculate the incentive amount. If any abatement recipient does not meet its year-three projections (or does not meet projections in any year thereafter), the incentive agreement may be modified or terminated.

E. **School District Donation.** Abatement agreements may include requirements that the company make annual donations to the North Ridgeville City School District in lieu of taxes to offset revenues lost as

a result of the abatement. These donations will be paid by the company directly to the school district.

- F. **Property Owner is Party to Agreement.** Abatements are designated to the owner of the property of record according to the Lorain County Auditor's office. The property owner assumes all responsibility and liability for the generation of tax revenues or donations to the school district as specified in the agreement, regardless if the owner occupies the building and/or leases the building to another entity.
- G. **Non-Discrimination Policy.** Abatement recipients are required to commit to non-discriminating hiring practices acknowledging that no individual may be denied employment solely on the basis of race, religion, sex, disability, color, national origin or familial status.
- H. **Annual Report Required.** Annually, the abatement recipient will complete a CRA Compliance Report documenting an abated building's occupant(s), level of employment, payroll, investment and other information for the previous tax year. This report must be completed by the deadline established in the agreement or the abatement may be terminated. The City may require the property owner to attend a meeting or provide opportunity for a site visit as part of the compliance report filing.

Part Three: Modification and Termination of Agreements

- A. **Review of Agreements.** The following scenarios will result in automatic review of an existing abatement agreement by the Housing Council and may result in modification or termination of the agreement:
 - 1. If the economic performance of the occupant(s) in the building fall significantly below projections or if the building becomes vacant;
 - 2. If the abatement recipient fails to make required donations to the school district as stated in the abatement agreement;
 - 3. If the City determines that the delinquent tax certification required in the abatement agreement was fraudulent;
 - 4. If a property becomes tax delinquent during the term of the agreement; or
 - 5. If a property owner appeals the market value of the subject property during the abatement period.
- B. **Modification/Termination Procedure.** If a property owner fails to meet the terms of their agreement, the Housing Council may recommend a modification in the term or level of benefits of the abatement or may recommend termination of the agreement. Prior to any meeting where the Housing Council may take action to recommend modification or termination of an agreement, the impacted property owner shall be notified a minimum of ten (10) days in advance. Any modification or termination of an existing agreement must be approved by Council.
- C. **No Reapplication.** If an abatement agreement is terminated, it will be lost permanently. No new abatements or re-application of abatements will be permitted for existing buildings.
- D. **Appeals.** Appeals from a decision of Council may be taken to the Court of Common Pleas.