

**NORTH RIDGEVILLE CITY COUNCIL
COMMITTEE OF THE WHOLE MEETING MINUTES
CITY HALL COUNCIL CHAMBERS – 7:00 P.M.
SEPTEMBER 10, 2025**

To Order:

President Jason Jacobs called the Committee of the Whole meeting to order at 7:00 p.m.

Pledge of Allegiance:

Led by President Jason Jacobs

Roll Call:

Members present: President Jason Jacobs, Councilwoman Holly Swenk, Councilman Eric Shaffer, Councilman Bruce Abens, Councilman Clifford Winkel, and Councilwoman Georgia Awig.

Councilman DeVries was excused.

Also present: Mayor Kevin Corcoran, Planning & Development Director Kim Lieber, Outside Counsel from Squire Patton Boggs Russell Balthis, Clerk of Council Nicholas Ciofani, and Assistant Clerk of Council Fijabi Gallam.

New Business:

Clerk of Council Nicholas Ciofani:

O 2025-104 An Ordinance designating the North Ridgeville Community Improvement Corporation as an agency of the City under Ohio Revised Code Section 1724.10; authorizing the execution of an Agreement and Plan for Industrial, Commercial, Distribution, Research, and Development.
(Introduced by Mayor Corcoran; First Reading on 07-07-2025; Committee of the Whole Meeting on 08-04-2025)

President Jacobs remarked that there has been quite a bit of conversation and discussion regarding this particular piece of legislation and essentially ran out of time at the last Committee of the Whole meeting. City Council had the opportunity to hear some of the benefits of the Community Improvement Corporation (CIC), which include allowing the City to move a little bit more swiftly when it comes to certain transactions, particularly real estate transactions. Despite the variations in board makeup across cities, the consensus was that a City Council representative should be included on the CIC Board.

President Jacobs expressed the belief that Council representation on the CIC Board was important. Initially, the idea was to tie representation to a specific Council position—such as the Council President, President Pro Tem, or Chair of the Finance Committee. However, upon further reflection, it was suggested that it might be more appropriate to allow the Council President to appoint a representative. Various cities include council members, while others do not. Regardless of the structure, it was acknowledged that City Council would still need to fund the CIC for it to utilize any city resources.

Councilman Winkle shared his agreement and added that he had researched other CICs. He found that while not many towns have CICs, approximately 85% of those do involve council members in some capacity. These appointments vary—some are tied to specific positions, others involve one or two council members, and some are entirely approved by Council. He expressed the importance of establishing a structure that ensures City Council's involvement both now and in the future, regardless of who serves on the CIC.

Councilwoman Swenk also supported Council involvement and suggested assigning CIC representation to a standing committee, similar to existing council committee appointments. She recommended having at least two council members involved, with an alternate in case one is unavailable. Mrs. Swenk shared that she had spoken with the law director of the City of Nova, who indicated that funding would likely be the biggest challenge. She expressed concern that the City might end up with the financial burden, though she acknowledged that purchasing property is already part of the City's responsibilities.

Councilwoman Awig expressed support for the CIC concept and its potential to create opportunities for the city. She stated that City Council would likely feel more comfortable with one or two representatives on the Board. Mrs. Awig acknowledged the concern raised by the administration regarding the availability of council members to make timely decisions, but suggested that this could be addressed by selecting members who are reliably available.

Councilman Shaffer voiced several concerns after reviewing the proposal multiple times. He questioned the management and oversight of the CIC and raised the issue of whether the City could easily withdraw from the arrangement if necessary. He recommended including a force extraction to protect the City in the event of financial hardship, and protect the essential services like police, fire, and paramedics. He questioned whether involvement in real estate speculation aligned with the mission to provide basic services.

Mr. Shaffer questioned the repeated use of the phrase "not inconsistent" in the document, wondering if it had been generated by artificial intelligence.

President Jacobs reminded City Council that the CIC would only operate with funding appropriated by City Council. If the City faced financial constraints, City Council could simply choose not to allocate additional funds. Regarding the document's language, the president deferred to the administration for clarification.

Mr. Balthis, outside legal counsel from Squire, confirmed that the document was not AI-generated. He reiterated that the City was under no obligation to fund the CIC and that City Council retained full authority over appropriations. He explained that the Ordinance would designate the CIC as the City's official economic development tool, but that City Council could revoke this designation at any time through new legislation.

Mayor Corcoran added that the CIC already existed and that the Ordinance merely formalized its role as a tool of the City, and City Council could legislate the designation away if it chose to do so.

President Jacobs agreed with Councilwoman Swenk for an alternate. He noted that a similar arrangement existed for the Planning Commission, where both a liaison and an alternate were appointed.

Mayor Corcoran and Mr. Balthis clarified that nonprofit boards, such as the CIC, typically do not include alternates, or it is an unrecognized structure in this context.

Councilwoman Awig raised concerns regarding voting requirements for the CIC board.

Mr. Balthis explained that, like most nonprofits, the CIC would operate by majority vote.

President Jacobs opened the floor for public comments.

Susan Olsen of 7685 Maddock Road expressed her concerns regarding Ordinance 2025-104. She asked whether the CIC was necessary, especially given concerns about future financial constraints. She questioned whether there was a need to add something to the City's budget that might require funding and encouraged City Council to consider the matter carefully.

Councilman Abens clarified that the individuals serving on the CIC Board were already employed by the City in other capacities and would not receive additional compensation for their Board service.

Mayor Corcoran further clarified that the Board members would serve in a personal capacity, not as City officials, similar to how individuals serve on other nonprofit boards. The position was described as voluntary and not a financial burden to the City.

Councilman Abens remarked that the CIC Board itself did not cost the City money. Any expenses would be tied to its activities, and if the City were financially constrained, the Board would not receive funding until the situation improved.

Director Lieber explained that the formation of a CIC was its potential access to funding sources and grants that the City, as a government entity, could not pursue directly. The CIC could partner with the City or operate independently to secure outside resources, which would be a net benefit to North Ridgeville.

President Jacobs elaborated that cities often need to acquire property as part of normal operations, and the CIC could facilitate quicker transactions. Instead of waiting for council meetings to approve purchases, this would allow the City to respond more efficiently and quickly to real estate opportunities while also gaining access to additional funding streams.

Councilwoman Awig remarked that rather than costing the City money, the CIC could help bring in more funds through grants. She acknowledged that the long-term financial impact would bring the City additional money.

Cali Zingale of 35112 Jason Drive expressed the path the City is taking to pursue grants effectively. She believed that while the CIC might open new funding opportunities, the City had historically missed out on various grants. She pointed to repeated investments in roundabouts and traffic projects, suggesting that the City had prioritized certain types of funding while overlooking others. Mrs. Zingale voiced her concerns about the City's financial priorities and that it appeared to be an effort to consolidate control.

Councilwoman Swenk interpreted Ms. Olsen's concern as asking whether the CIC would become a recurring line item in the City's annual budget or if it would only request funding as needed.

Mayor Corcoran responded that the CIC would likely receive initial funding to begin operations and could return to City Council for additional funds once that money is gone. He explained that if the CIC were included in the annual budget, the funding would most likely come from the capital improvement project funds. Mayor Corcoran explained that if the CIC acquired one property and another opportunity emerged, the CIC could request additional funding to act swiftly. He reiterated that while property acquisition was a primary focus, the CIC could serve other purposes as well. He added that the City had already spent money on similar initiatives and that the CIC would not introduce new operational costs. The only direct expense incurred so far was the filing fee to establish the nonprofit corporation at the state level.

Councilman Winkel added further clarification for Susan Olsen and other residents. He pointed to Exhibit A, Section 4(B) of the ordinance. He clarified that if the City were in a financial position where funding the CIC was not feasible, City Council could choose not to appropriate funds. He shared a personal analogy, explaining that in his professional experience, having an additional tool to improve efficiency was always beneficial.

President Jacobs agreed that the CIC was an economic tool that would allow the City to conduct its usual business more nimbly.

Ms. Olsen asked a procedural question about the necessity of the CIC.

President Jacobs responded that while special meetings were an option, City Council typically met every two to three weeks, and the delay could result in missed opportunities—especially in fast-moving real estate transactions.

Mrs. Zingale warned everyone that a tool in the wrong hands could be dangerous. She expressed concern that centralizing could lead to favoritism and a lack of transparency.

Mr. Balthis clarified that although the CIC would be an Ohio entity, once designated as the City's official CIC, it would be subject to Ohio's open meetings and public records laws—ensuring transparency similar to that required of City Council.

Councilman Shaffer noted that he was intrigued by the idea that the CIC could be used for more than just real estate. He referenced a recent \$60,000 allocation to a developer and expressed concern that the CIC could potentially be used to bail out developers who make mistakes in conducting proper due diligence. He wanted to know the downsides of having a CIC.

Mr. Balthis explained that CICs generally did not present significant downsides. He explained that while a CIC could be created with the intent to purchase property, its effectiveness would depend on opportunities arising. If no property became available, the CIC would not fix that. Similarly, while CICs could apply for grants limited to nonprofits, there was no guarantee of receiving them. He added that any mistakes made by a CIC in a transaction would likely be the same mistakes the City might make directly. He reminded everyone that City Council would have full control over funding and could revoke the CIC's designation at any time via ordinance. He noted that, although rare, cities could withdraw their designation if dissatisfied, though he had not personally encountered such a case.

Councilman Shaffer questioned why the City would buy property that private developers had not pursued, and it is a piece of property no one else wants.

Director Lieber clarified that all property acquisitions by the City had aligned with the adopted master plan and strategic goals discussed and supported by City Council. She cited examples such as preserving land for employment uses or acquiring property for a future town center. City Council has approved all purchases.

President Jacobs reminded attendees that the meeting was a Committee of the Whole session, not a CIC board meeting. Therefore, any changes to the CIC board's bylaws would need to be voted on by the existing CIC board.

Moved by President Jacobs and seconded by Swenk to send Ordinance Number 2025-104 back to City Council for further consideration, with the condition that the CIC Board amend its bylaws to include at least one council member appointed by the council president.

Mr. Winkel wanted to know if the legislation would come back to City Council after the CIC changed its bylaws.

Mr. Jacobs clarified that the legislation would come back to the City Council, but the condition is to require the CIC to change its bylaws to accommodate at least one council member.

A roll call vote was taken, and the motion was carried.

Yes – 6

No – 0

A Presentation on Tax Increment Financing (TIF)

Director Lieber explained that the City of North Ridgeville has been using TIF since 2015, though it was not frequently discussed. She noted that TIF funds appeared in quarterly reports and annual appropriations. It was also used for capital improvements. The PowerPoint is attached to the minutes.

What is TIF?

Mr. Balthis provided an overview of TIF, describing it as a tool primarily used by cities to fund public infrastructure improvements. When a property is improved and its value increases, the additional property tax revenue—rather than going to traditional taxing entities—is redirected to the City and held in a Special Fund. This Fund is audited annually by the State Auditor. Mr. Balthis noted that while school districts and counties are major recipients of property taxes, TIF includes mechanisms to keep schools financially whole.

How a TIF Works?

- Explanation that no existing revenue is lost under TIF; original property tax continues to go to the usual tax entities, while the increment from improvements is redirected to fund public infrastructure.
- TIF rationale supports infrastructure improvements (such as roads for heavy trucks) necessary for development.

Features of TIFs

- TIF does not impose new taxes; property owners pay the same amount, often called a “payment in lieu of taxes” (PILOT), equal to property taxes.
- Current and possible future TIFs are “non-school TIFs,” meaning schools retain their full share of revenue, and it is legally protected under Ohio law.
- TIF funds must be used for public improvements benefiting the property, such as traffic signals, walkability, roads, and utilities.

Three types of TIFs

- Commercial or Parcel TIF for commercial development and job creation, restricted to public infrastructure. - ORC 5709.40(B)
- Special Municipal TIF for urban redevelopment; not currently used by North Ridgeville. - ORC 5907.41
- Incentive District TIF for owner-occupied housing, funding infrastructure like roads and parks. - ORC 5907.40(C)

Commercial/Parcel TIF

- Ohio law allows cities to exempt up to 100% of increased property value for 30 years; school district approval is needed if school funding is impacted.
- The county collects payment of Lieu Taxes. Then it is distributed to schools and the City, with the remaining special funds deposited into a public infrastructure fund.
- Ohio Revised Code broadly defines “public infrastructure improvements” to include streets, sidewalks, sewer, water, drainage, stormwater, parking, and similar projects.

Director Lieber remarked the following.:

North Ridgeville Parcel TIFs

- North Ridgeville has used TIF since 2015, with 13 TIFs over two years, mainly for commercial or industrial, to fund infrastructure supporting commercial and industrial development.
- Explained that payments in lieu of taxes (PILOTs) are generated only by value added from commercial or industrial improvements, which are diverted into the City’s TIF funds.
- All North Ridgeville’s TIFs are non-school TIFs, ensuring school districts continue to receive all revenue they would otherwise get.
- Every five years, City Council reviews agreements related to Community Reinvestment Areas (CRA) or TIF arrangements, which include revenue sharing with schools when designated benefits exceed certain thresholds.
- Fund balances across the City’s 13 TIF districts vary widely, from less than \$5,000 in TIF District 12 to nearly \$1.5 million in TIF District 3.
- Some of the agricultural parcels are not contributing to the TIFs.
- The highest-performing district (\$1.4 million), highlighted in bright pink on the map, is on the east side of the city, including Lorain Road, Lear Road, the Victory Park area, and developments like Starbucks, Culver’s, and Cypress.
- Lower-performing (about \$4,000 to \$7,000) districts are in the northwest, particularly in the Sandy Ridge West area, which is developed for trails and recreation, but does not generate TIF revenue.

- TIF funds must be used for the benefit of generating parcels or districts, including relevant infrastructure, with geographic restrictions guiding future planning.

Parcel TIF Observations

- The City's TIF results are uneven: commercial and industrial zones generate revenue, whereas residential and agricultural zones do not. Parcels in the CAUV program also do not contribute to TIF funds.
- TIF funds have been used primarily for savings, including funding traffic improvements at Bagley and Lorain Roads, with plans to offset costs for the Cypress Avenue extension.

Mr. Balthis remarked the following.:

Incentive Districts

- TIF funding would help meet the City's Master Plan goal.
- ORC 5907.40(C) TIF requires at least 300 contiguous acres and collects revenue from all properties within the district for public infrastructure improvements. Multiple districts can be created within a single ordinance.
- Existing non-performing ORC 5709.40(B) TIF can be converted to ORC 5907.40(C) TIF if they have not generated revenue, pending approval of an economic development plan and certification by the City Engineer that the area lacks sufficient public infrastructure.

Incentive District Considerations

- Unlike ORC 5709.40(B) TIF, incentive district TIF 5907.40(C) required notification to the County, which had the right to negotiate revenue sharing.
- While schools were automatically kept whole under ORC 5709.40(B) TIF, counties could choose to waive compensation or enter into agreements with the city to receive a portion of the TIF revenue.
- Additionally, 5907.40(C) TIF required a public hearing with property owners in the district, who in some cases could opt out. Though this was rare, as the TIF did not increase or decrease its taxes, it only redirected the revenue.

Director Lieber remarked the following.:

Why Incentive Districts?

- The City should consider incentive districts despite having used ORC 5709.40(B) TIF for the past decade.
- North Ridgeville experienced significant housing development, and the City had missed opportunities to capture revenue from that growth.
- Incentive districts could help offset the strain residential development placed on infrastructure.
- These funds could be used for roads, sewers, parks, utilities, and other capital projects.
- The City retained full control over how the funds were allocated, whether for immediate needs or long-term projects like road resurfacing decades later.

TIF vs Other Revenue Tools

- Developer contributions were a familiar method, where developers were required to conduct traffic studies and construct off-site improvements such as turn lanes, traffic signals, or utility extensions at their own expense. These contributions could help offset infrastructure costs to the City.
- Impact fees were limited to only being used for capital projects. North Ridgeville currently imposes a park impact fee of \$250 per new dwelling, which was narrowly tailored and deposited into a dedicated park fund.
- TIFs provide recurring revenue over several years, making them suitable for larger projects and capable of supporting borrowing for long-term infrastructure needs.
- Income taxes remained the City's primary funding source for capital improvements and general operations.

Director Lieber asked City Council to consider adding an incentive district TIF to the City's financial toolbox. While no specific areas had been mapped and no legislation was proposed at that time, Director Lieber asked City Council to consider adding an incentive district TIF to the City's financial toolbox.

President Jacobs understood that the City is currently using 40(B) TIF, and they are partially TIF. He wanted more clarification on the idea of multiple parcels being used.

Mr. Balthis explained that while 40(B) TIFs were often referred to as a parcel TIF, a single ordinance could create a district encompassing multiple parcels. Each parcel's 30-year TIF term would begin when an improvement was made. In contrast, a 40(C)—incentive district would begin its 30-year term for the entire district at once.

President Jacobs asked whether TIF captured only the increase in property value due to improvements or if county revaluations also contributed.

Mr. Balthis confirmed that both types of increases were captured. The base value was set when the ordinance was adopted, and any increase beyond that—whether from improvements or revaluation—would be redirected to the TIF fund. He clarified that while the ordinance could start the TIF based on appreciation alone, this was uncommon because it would begin the 30-year clock before substantial value was added.

Councilman Shaffer asked whether TIF constituted a property tax increase.

Mr. Balthis responded that they did not. Property owners paid the same amount in taxes regardless of whether their property was in a TIF district. The difference lay in how the funds were distributed—TIF redirected the increment to the city for public improvements.

Councilman Shaffer also asked about the benefit of the PILOT payments.

Mr. Balthis explained that PILOTs were functionally identical to property taxes from the payer's perspective. They were billed and collected by the County Auditor in the same way, but the funds were distributed differently.

Councilman Shaffer then asked what would happen if a property's value decreased.

Mr. Balthis explained that a drop in value would result in reduced TIF revenue. If the value fell below the base amount, the TIF would generate no revenue.

Mayor Corcoran illustrated how TIF had been used in North Ridgeville. When Walgreens was built, the new section of Lear Nagel Road was funded with TIF money. Similarly, the road leading to Riddell and the nearby bowling alley was constructed using TIF funds. In contrast, Dayton Freight did not request any incentives, but its location within a TIF district contributed significantly to the district's fund balance. That district had generated substantial revenue, much of which was attributed to Dayton Freight's presence.

Councilman Winkle asked whether opting out of a TIF followed the parcel or the property owner, similar to a deed restriction.

Mr. Balthis clarified that only incentive district TIF are allowed for potential opt-outs. When such a district was created, property owners received notice. If a parcel extended beyond the defined overlay area, the owner could opt out by attending a public hearing or submitting a written notice within 15 days. This opt-out applies only to parcels exceeding the overlay boundaries.

Councilman Winkel also asked whether the City's ongoing zoning updates would align with future TIF designations.

Director Lieber explained that incentive districts would not overlay directly with the zoning map due to the complexity of the existing TIF. However, areas already experiencing residential development—especially those not currently generating revenue due to CAUV enrollment—could be strong candidates for incentive districts. She cited the northern part of the city, where residential development was prevalent and industrial or commercial use was unlikely, as an example of where capturing future value through a TIF would make sense.

Councilman Shaffer raised a question about whether TIF disincentivized the City from using land for public purposes, such as parks.

Mr. Balthis remarked that being in a TIF district did not restrict or disincentivize land use. If necessary, a parcel could be removed from TIF, and the City retained full control over its use.

Mr. Shaffer then asked whether City Council could receive copies of the presentation materials.

The Assistant Clerk confirmed that the slides would be provided for all council members.

Mr. Shaffer also asked whether City Council was expected to vote on anything related to the presentation.

Director Lieber clarified that no vote was requested at that time. The session was informational, intended to gauge City Council's interest in potentially creating incentive districts or converting parcels from commercial/industrial TIF to residential incentive districts in the future.

With no further comments or business on the agenda, the meeting was adjourned.

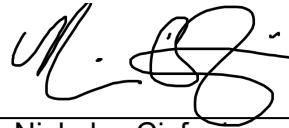
Adjournment:

Chairman Jacobs adjourned the meeting at 8:12 p.m.

Approved on October 6, 2025.



Jason R. Jacobs
PRESIDENT OF COUNCIL



Nicholas Ciofani
CLERK OF COUNCIL



TAX INCREMENT FINANCING (TIF)

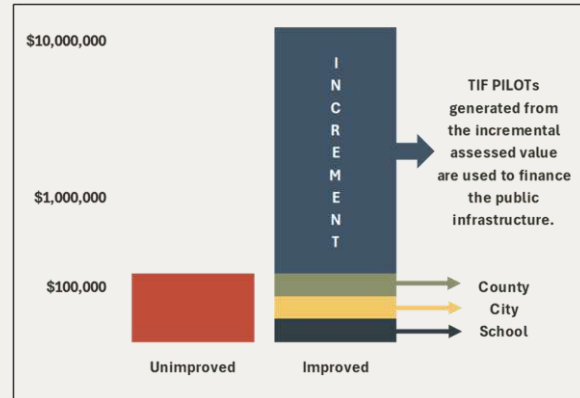
Committee of the Whole
September 10, 2025

What is TIF?

- **Tax Increment Financing (TIF)** is a tool that allows cities to use the increase in property tax value created by new development (the “increment”) to pay for **public improvements**.
- Instead of all the new property tax revenue going straight to schools, counties or other taxing authorities, the city can redirect some or all of that increment for a set number of years to fund infrastructure, utilities, roads or other improvements.

How a TIF Works

- **Baseline is set**, property values are frozen
- **New development occurs** and property values increase
- **Increment is captured** and redirected to pay for eligible improvements
- **After TIF expires** all taxing authorities benefit from the fully increased property value



Features of TIFs

- **No new taxes** – TIFs don't raise taxes; they capture only the new revenue generated by new development.
- **Schools are protected** – North Ridgeville only uses non-school TIFs, meaning the North Ridgeville City Schools and Lorain County JVS continue to receive their full share of property taxes.
- **Growth pays for growth** – Public improvements like roads, utilities and drainage are funded by the new development itself, not existing taxpayers.
- **Economic development tool** – TIF makes development sites more attractive by funding infrastructure upfront, which helps bring private investment.

Types of TIFs

Commercial/ Parcel TIF

ORC 5709.40(B)

Special Municipal TIF

ORC 5907.41

Incentive District

ORC 5907.40(C)

Commercial/Parcel TIF

- Parcel TIFs are established in **ORC 5709.40(B)**
- **Applies to parcels or areas** – City designates certain parcels as a TIF district.
- **Exemption of improvements** – 100% of the value of new improvements can be exempted from traditional property taxes for up to 30 years.
- **Payments in Lieu of Taxes (PILOTs)** – Instead of paying normal property taxes on the improvements, the property owner makes a PILOT payment to the county, a portion of which is transferred to the city.
- **Use of funds** – The city must use the PILOTs for public infrastructure improvements connected to the parcels (streets, sidewalks, sewers, water lines, drainage, parking, etc.).

North Ridgeville Parcel TIFs

- City established 13 TIFs between 2015 and 2016.
- Only increment of increased value of **commercial improvements** are captured as PILOTs.
- All TIFs are **non-school TIFs**, which means the schools receive all taxes they would without the TIF in place.

TIF	12/31/24 Fund Balance
1	\$33,054.09
2	\$173,063.23
3	\$1,480,861.35
4	\$183,307.88
5	\$98,041.76
6	\$605,391.82
7	\$63,880.57
8	\$195,443.20
9	\$4,512.91
10	\$45,569.38
11	\$17,836.36
12	\$4,552.15
13	\$189,547.81



Incentive Districts

- Incentive District TIFs are established in **ORC 5709.40(C)**.
- **What it does:** Creates a defined geographic district (up to 300 contiguous acres) where all parcels benefit from infrastructure.
- **Revenue flow:** Captures the tax increment from all properties in the district.
- **Flexibility:** Funds can support a broad range of public infrastructure and community improvements.



Why Incentive Districts?

- With the level of housing development in North Ridgeville, the city is missing a major opportunity to capture revenue from the very growth that strains infrastructure.
- It's a misnomer. An Incentive District TIF does not incentivize residential construction. It simply captures the property value growth that comes from new development and redirects that increment to fund public improvements (roads, sewers, parks, utilities).
- The city is in full control to strategically allocate funds, whether in support of a proposed project or in support of long-term planning and future capital improvements.

TIF vs Other Revenue Tools

- **Developer Contributions:** Direct project-level improvements (turn lanes, signals). Already within city's authority and used routinely.
- **Impact Fees:** One-time, narrow, tied to growth. Can only be spent on capital projects tied to the specific impacts. No salaries, no debt service, no general fund relief.
- **Tax Increment Financing (TIF):** Provides recurring revenues over 30 years, can fund larger projects and supports borrowing. Much more powerful for long-term infrastructure.
- **Income Tax:** Flexible, broad-based, reliable and able to fund both operations and capital needs. The city's core general revenue source.

Question & Answer