

A nighttime photograph of a city street. In the foreground, there are light trails from cars moving through the frame. In the background, a multi-story brick building is illuminated. A prominent sign on the building reads "MARKET DISTRICT eXpress". To the right, a vertical neon sign spells out "DREXEL" in red and blue. The sky is dark with some clouds, and the overall atmosphere is vibrant and urban.

Bexley CRA & Tif Incentives review

PROPERTY TAX 101

Inside Millage

- Inside millage is a small portion of overall rate - inside millage is automatically taxed and distributed to
- Inside millage rate stays the same - so as property values change so do receipts from inside millage
- 10 of the overall mills are inside mills

PROPERTY TAX 101

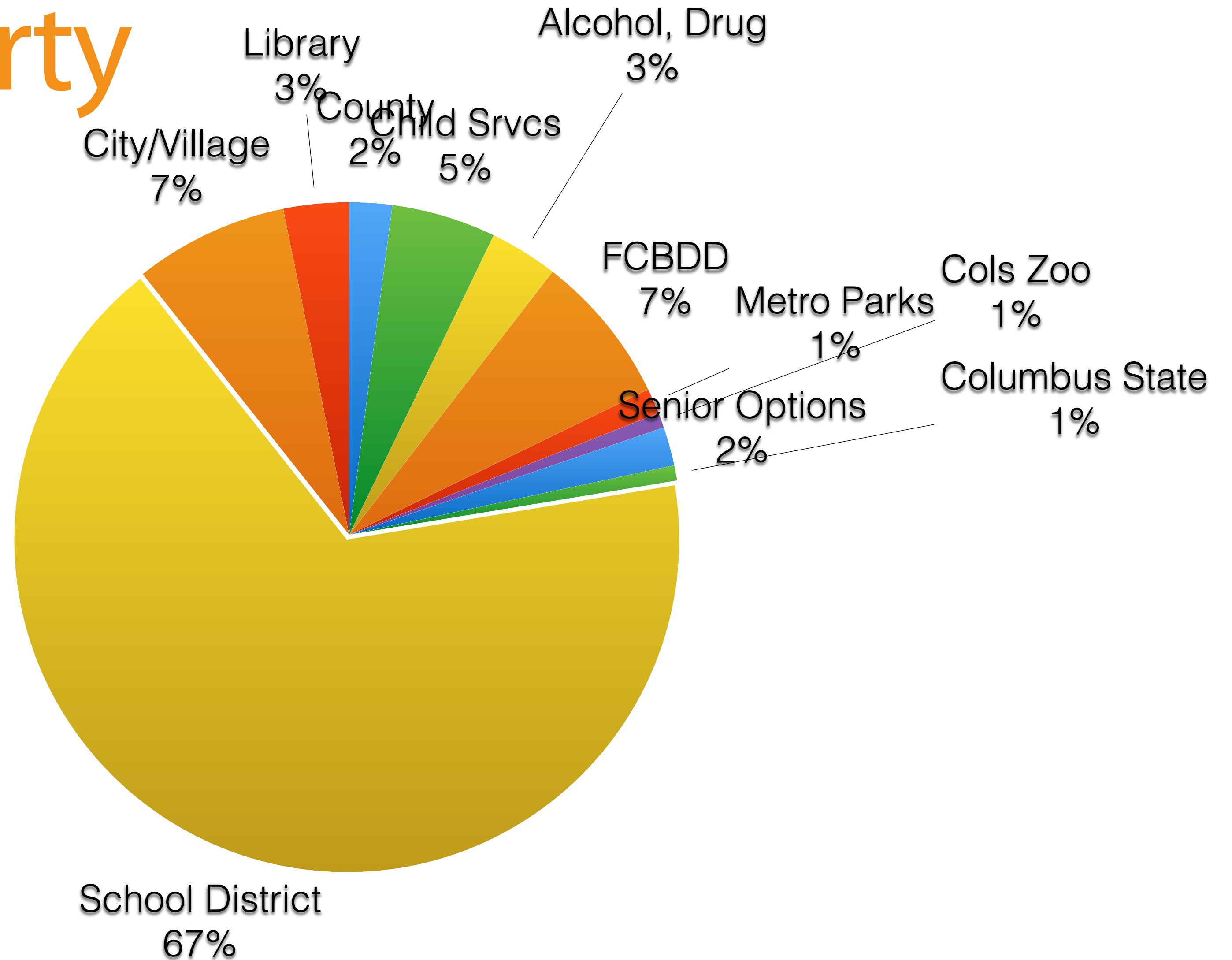
Voted Millage

- Voted millage is the majority of tax rate
- Property tax rates change every year from voted millage as the rate is adjusted to factor in changing property values.
- I.e. - when property values increase, tax rates decrease

PROPERTY TAX 101

Where do Property Taxes Go?

- County
- Child Srvcs
- Alcohol, Drug
- FCBDD
- Metro Parks
- Cols Zoo
- Senior Options
- Columbus State
- School District
- City/Village
- Library



PROPERTY TAX 101

Where do Property Taxes Go?

CURRENT YEAR DISTRIBUTION

County	Amount	Percentage
General Fund	133.32	2.08%
Children's Services	325.13	5.08%
Alcohol, Drug & Mental Health	212.41	3.32%
FCBDD	468.49	7.32%
Metro Parks	79.34	1.24%
Columbus Zoo	46.68	0.73%
Senior Options	120.56	1.88%
Columbus State	47.36	0.74%
School District	4,282.61	66.95%
School District (TIF)	0.00	0.00%
Township	0.00	0.00%
Township (TIF)	0.00	0.00%
Park District	0.00	0.00%
Vocational School	0.00	0.00%
Vocational School (TIF)	0.00	0.00%
City/Village	478.33	7.48%
City/Village (TIF)	0.00	0.00%
Library	203.33	3.18%
Net Annual Tax	6,397.56	

PROPERTY TAX ABATEMENTS 101

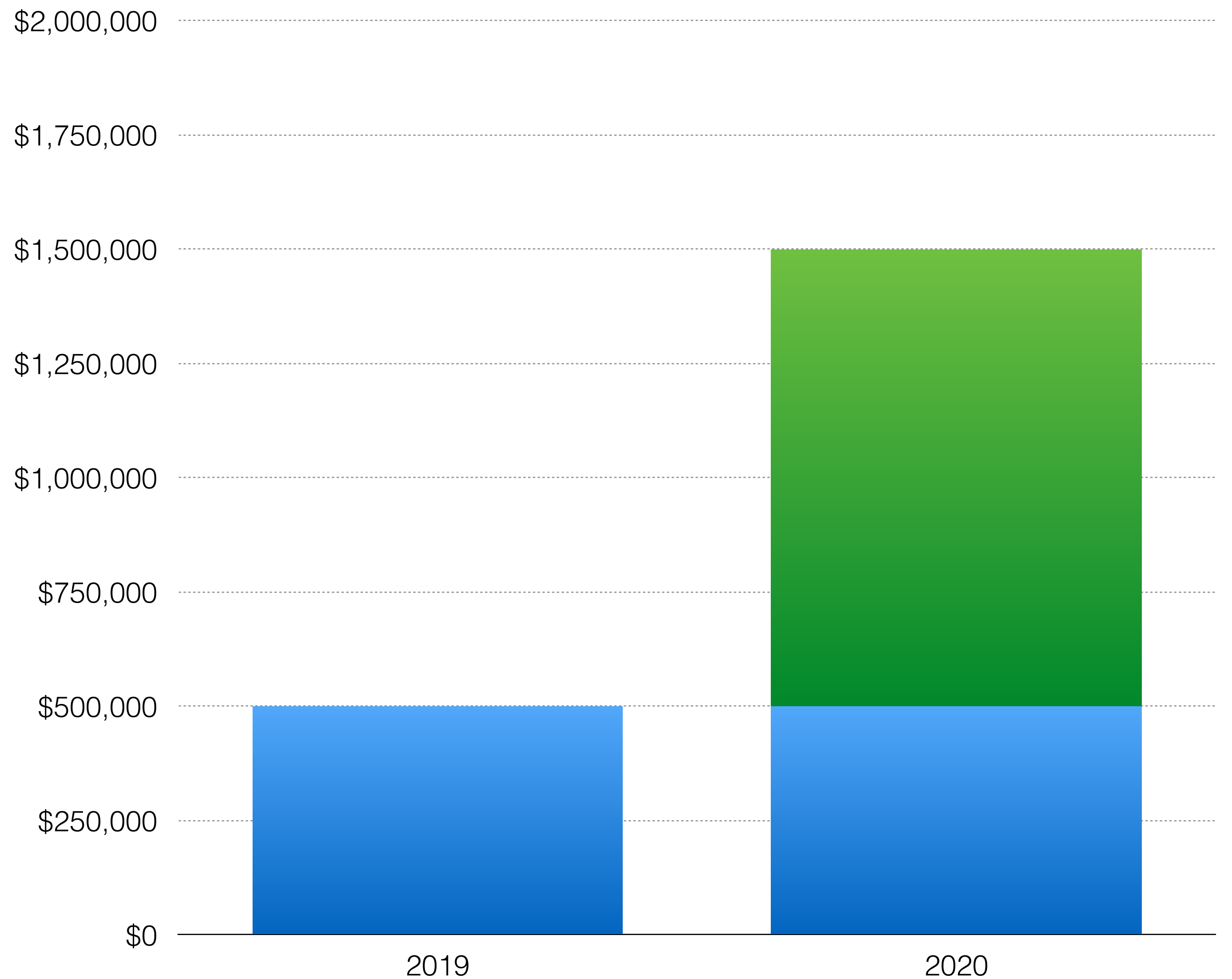
- Property tax exemption (aka abatement)
- Applies to:
 - New construction
 - Increased value from “remodeling”
- **Only applies to the increased value on the parcel.** Base value at time of abatement continues to be taxed.

PROPERTY TAX ABATEMENTS 101

Hypothetical Project

- Base Value of \$500,000
- 100% abatement on \$1,000,000 improvement

- New Tax Receipts
- Abatement
- Base Value Tax Receipts



PROPERTY TAX ABATEMENTS 101

- Residential
 - Entitlement based on terms in local legislation
 - Terms and % of abatement vary from district to district and goals of program
 - Criteria is created and any complying property is eligible within the district

PROPERTY TAX ABATEMENTS 101

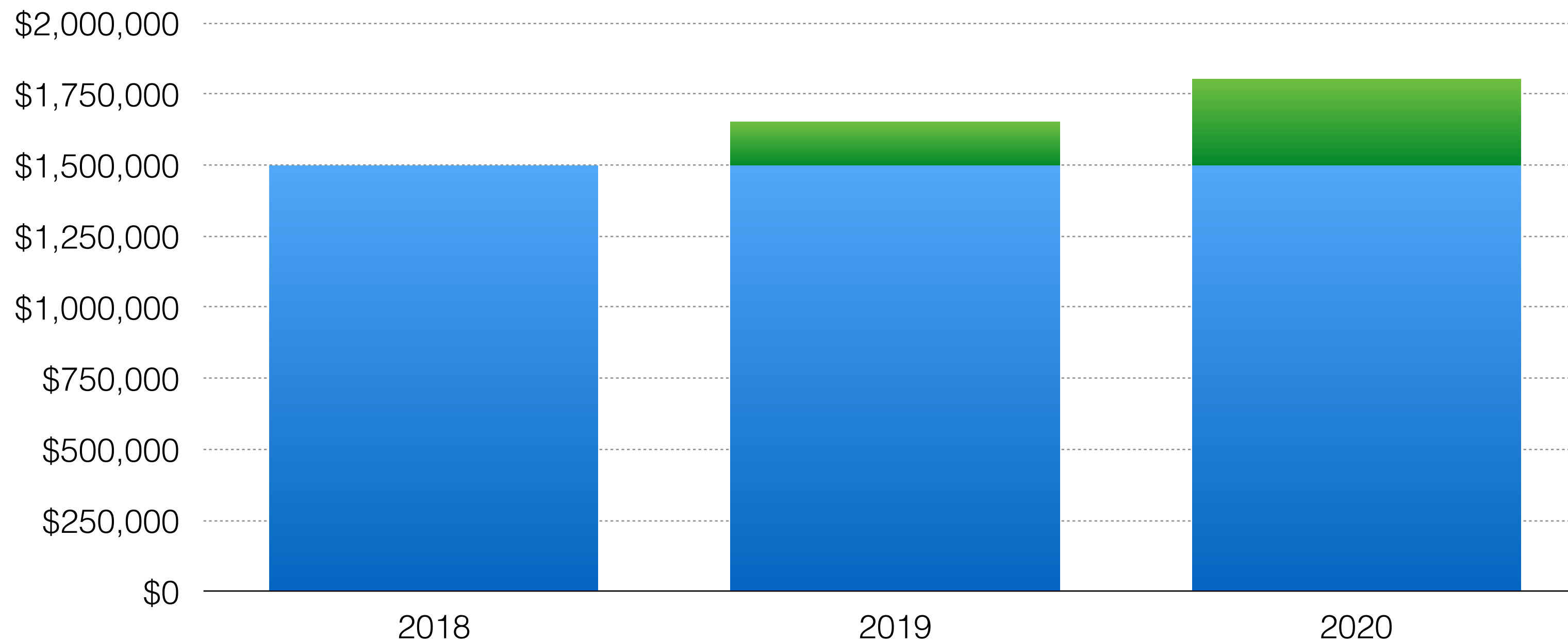
- Commercial
 - Case-by-case basis
 - Requires legislation
 - Agreement required before construction begins
- Mixed Use
 - Mixed use developments could have distinct commercial and residential abatements

PROPERTY TAX ABATEMENTS 101

- The Politics of Abatements
 - Abatements are often misunderstood
 - Legally, zoning decisions cannot be made by City boards based upon abatements/TIF, etc

TIF 101

- TIF stands for “Tax Increment Financing”
- Because... Incremental increases from tax revenue provide financing



TIF 101

- Ten different kinds of TIF in Ohio
- For increased value, TIF service payments substituted for property taxes
- Use of funds typically limited to public infrastructure improvements (broadly defined)
- For urban redevelopment TIF, uses limited only by Ohio Constitution and local TIF ordinance

TIF 101

- Can be positive for schools
- Property owner consent generally not needed
- Can TIF residential parcels
- Blight typically not necessary
- Bond issuance not necessary
- Public improvements need not be within or adjacent to TIF area
- Can have both TIF and property tax abatement on same parcel

YOU MIGHT USE A TIF TO...

- For Private Developers:
 - Fund demolition
 - Bringing utilities to a site
 - New roadways to site
 - Sidewalk / right-of-way improvements
 - Streetscape improvements bordering project

YOU MIGHT USE A TIF TO...

- For Municipalities:
 - Extend utilities to targeted development areas
 - Pay for new roads
 - Fund streetscape improvements

TIFS CANNOT BE USED TO:

- Perform routine maintenance
- Fund most private improvements (some rare exceptions to this)

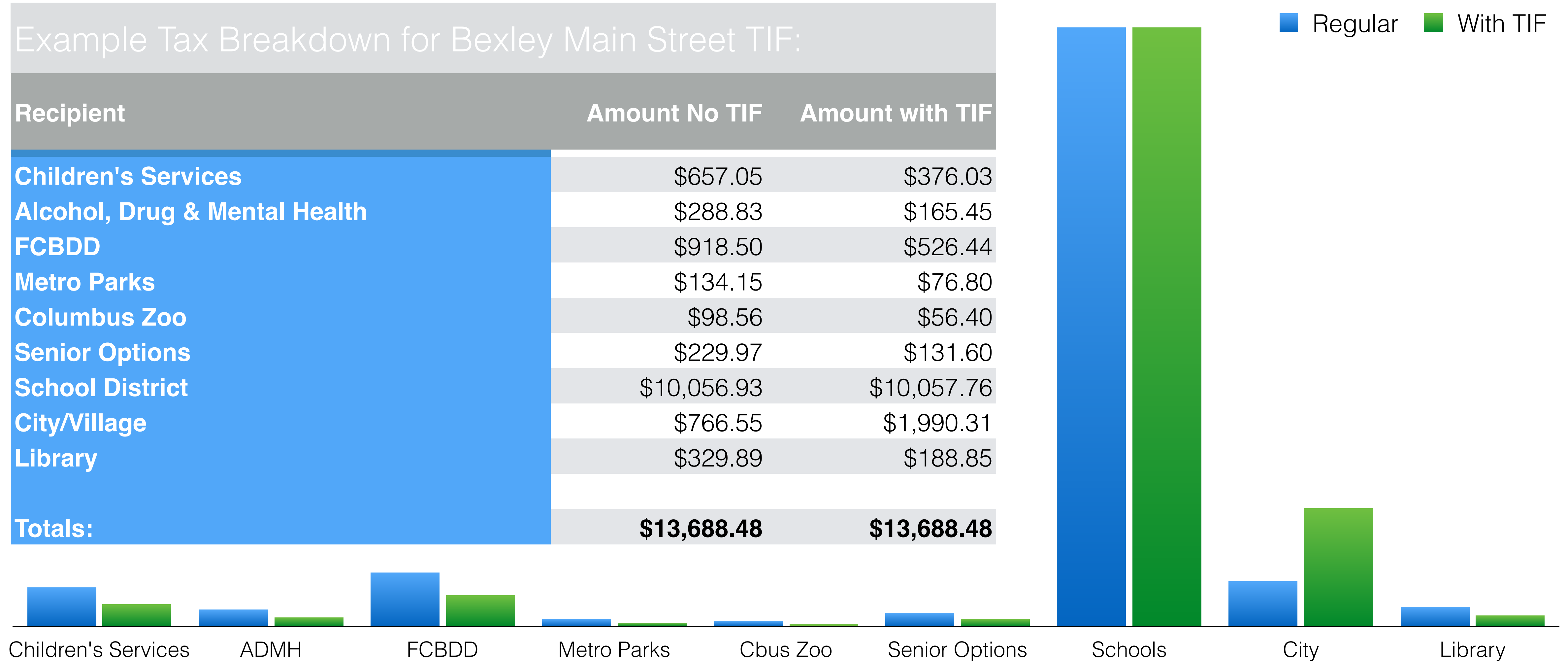
TIF RECEIPTS EXAMPLE:

Sample building at approx. \$450,000 valuation

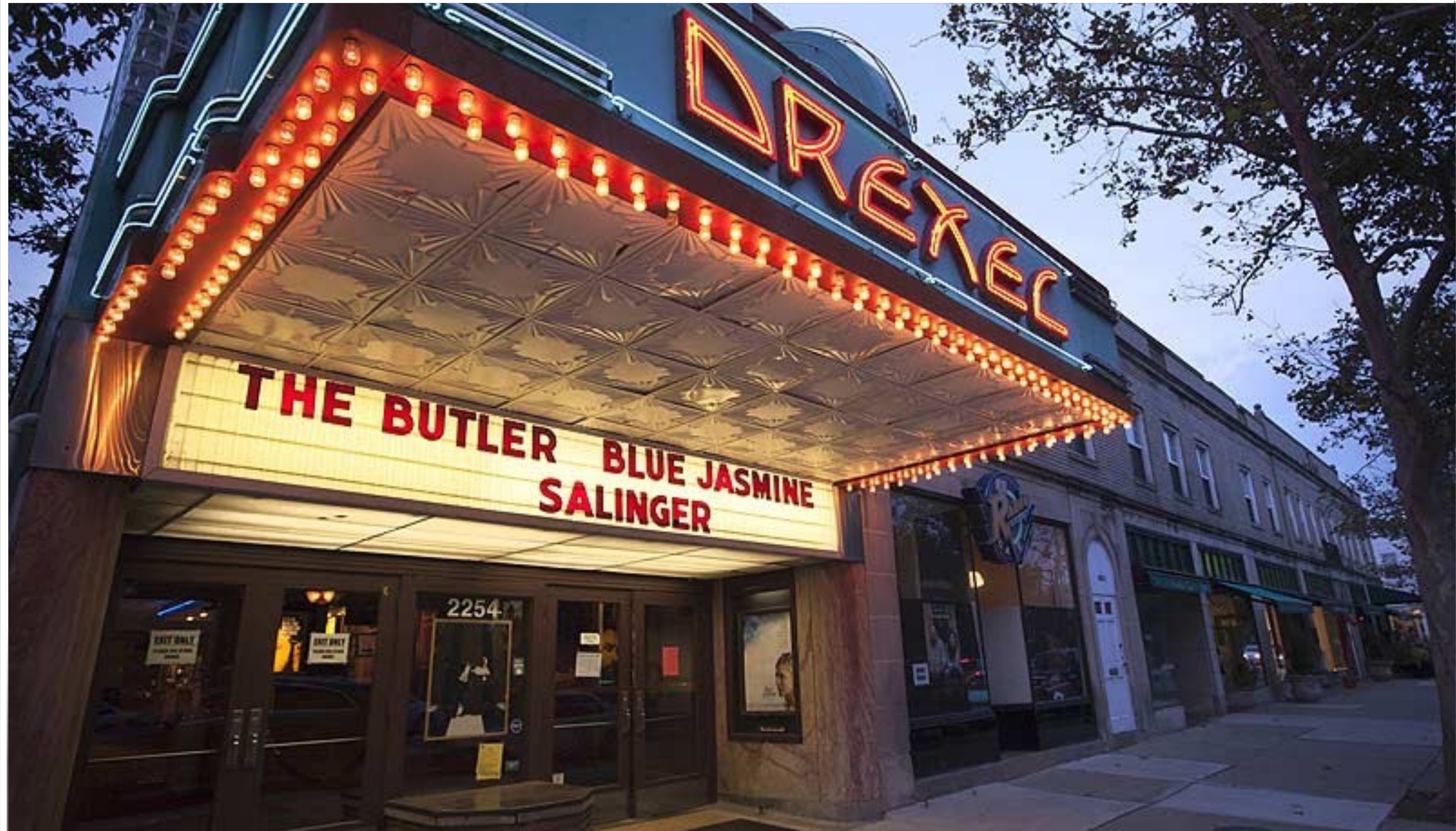
Example Tax Breakdown for Bexley Main Street TIF:

Recipient	Amount No TIF	Amount with TIF
Children's Services	\$657.05	\$376.03
Alcohol, Drug & Mental Health	\$288.83	\$165.45
FCBDD	\$918.50	\$526.44
Metro Parks	\$134.15	\$76.80
Columbus Zoo	\$98.56	\$56.40
Senior Options	\$229.97	\$131.60
School District	\$10,056.93	\$10,057.76
City/Village	\$766.55	\$1,990.31
Library	\$329.89	\$188.85
Totals:	\$13,688.48	\$13,688.48

Regular With TIF



TIF CASE STUDY: THE DREXEL THEATRE



TIF CASE STUDY: THE DREXEL THEATRE



- Historic rehab
- TIF contributed to interior demolition and utilities work

TIF CASE STUDY: OHIO STATE BANK



TIF + CRA ?

- Any abatement (CRA) would diminish the effectiveness of a TIF, since a TIF pulls from the property tax revenue stream
- Possible to have both in play, but TIF will suffer the larger the abatement

CASE STUDY: BEXLEY GATEWAY



CASE STUDY: BEXLEY GATEWAY*

Bexley Tax Productivity Analysis

Property: Gateway North
Property Address: 2154 E Main
Date of Analysis: 2018
Current Property Type: Funeral Home & Single Family Residential
Proposed Property Type: Office/Retail/Apartments

	Original Conditions:	Maximum Abatement Conditions:	Unabated Conditions:
Retail Units:			
Retail SF:	1	7,852	7,852
Value of Retail SF per SF:	\$425,000	\$210	\$210
Total Value:	\$425,000	\$1,648,920	\$1,648,920
Commercial Effective Tax Rate:	101.203357	101.203357	101.203357
Retail Abatement %:	0%	50%	0%
Annual Prop. Tax for Retail:	\$15,054	\$29,203	\$58,407
Office Units:			
Office SF:	0	15,704	15,704
Value of Office SF per SF:	\$0	\$150	\$150
Total Value:	\$0	\$2,355,600	\$2,355,600
Commercial Effective Tax Rate:	101.203357	101.203357	101.203357
Office Abatement %:	0%	50%	0%
Annual Prop. Tax for Office:	\$0	\$41,719	\$83,438
Office/Retail Payroll:			
Annual Payroll:	\$1,236,000	\$6,265,000	\$6,265,000
Annual Income Tax:	\$30,900	\$156,625	\$156,625
Residential Units:			
# of Units:	3	34	34
Value per Unit:	\$425,000	\$551,388	\$551,388
Total Value:	\$1,275,000	\$18,747,192	\$18,747,192
Residential Effective Tax Rate:	74.603441	74.603441	74.603441
Residential Abatement %:	0%	70%	0%
Annual Prop. Tax for Residential Units:	\$33,292	\$146,854	\$489,512
Residential Income Tax:			
Avg. Income/HH:	\$141,667	\$183,796	\$183,796
Total HH Income - All Units:	\$425,000	\$6,249,064	\$6,249,064
Annual Income Tax:	\$3,825	\$56,242	\$56,242
Annual School Income Tax:	\$3,188	\$46,868	\$46,868
Total Value of Real Estate:	\$1,700,000 [1]	\$20,396,112	\$20,396,112
Property Tax Receipts:	\$48,346	\$176,057	\$547,918
Income Tax Receipts:	\$37,913	\$259,735	\$259,735
Annual Tax Receipts:	\$86,258	\$435,791	\$807,653

Pre-Development Tax Receipts:

\$86,258

Peak Incentive Tax Receipts:

\$435,791

Post-Incentive Tax Receipts:

\$807,653

* "Tax Receipt" figures are estimates, based on reasonable assumptions including valuation and average household incomes

CASE STUDY: ONE DAWSON



CASE STUDY: ONE DAWSON*

Bexley Tax Productivity Analysis

Property: One Dawson
 Property Address: 2372 E Main St
 Date of Analysis: 2018
 Current Property Type: Home
 Proposed Property Type: Condos Over Retail

	Original Conditions:	Maximum Abatement Conditions:	Current Conditions:	Post-Abatement Conditions:
Retail Units:				
Retail SF:	0	850	850	850
Value of Retail SF per SF:	\$80	\$200	\$200	\$200
Total Value:	\$0	\$170,000	\$170,000	\$170,000
Commercial Effective Tax Rate:	101.203357	101.203357	101.203357	101.203357
Retail Abatement %:	0%	50%	0%	0%
Annual Prop. Tax for Retail:	\$0	\$3,011	\$6,022	\$6,022
Residential Units:				
# of Abated Units:	1	9	9	9
Value per Unit:	\$350,000	\$400,000	\$400,000	\$400,000
Total Value:	\$350,000	\$3,600,000	\$3,600,000	\$3,600,000
Residential Effective Tax Rate:	74.603441	74.603441	74.603441	74.603441
Residential Abatement %:	0%	70%	30%	0%
Annual Prop. Tax for Residential Units:	\$9,139	\$28,200	\$65,800	\$94,000
Office/Retail Payroll:				
Annual Payroll:	\$0	\$153,186	\$153,186	\$153,186
Annual Income Tax:	\$0	\$3,830	\$3,830	\$3,830
Residential Income Tax:				
Avg. Income/HH:	\$116,667	\$133,333	\$133,333	\$133,333
Total HH Income - All Units:	\$116,667	\$1,200,000	\$1,200,000	\$1,200,000
Annual Income Tax:	\$1,050	\$10,800	\$10,800	\$10,800
School District Income Tax:	\$875	\$9,000	\$9,000	\$9,000
Total Value of Real Estate:	\$350,000 [1]	\$3,770,000	\$3,770,000	\$3,770,000
Property Tax Receipts:	\$9,139	\$31,211	\$71,822	\$100,022
Income Tax Receipts:	\$1,925	\$19,800	\$19,800	\$19,800
Annual Tax Receipts:	\$11,064	\$51,011	\$91,622	\$119,822

Pre-Development Tax Receipts:

\$11,084

Peak Incentive Tax Receipts:

\$51,011

Post-Incentive Tax Receipts:

\$119,822

* "Tax Receipt" figures are estimates, based on reasonable assumptions including valuation and average household incomes

CASE STUDY: GRAMERCY



CASE STUDY: GRAMERCY*

Bexley Tax Productivity Analysis

Property: Gramercy
Property Address: 2424 E Main St
Date of Analysis: 2023
Parcel ID: 020-004865, 020-004867, 020-004868, 020-004866, 020-004869
Pre-development Property Type: Apartment over commercial
Post-development Property Type: Condos Over Retail

	Original Conditions:	Current Conditions:	Post-Abatement Conditions:
Retail Units:			
Retail SF:	4,830	6,152	6,152
Value of Retail SF per SF:	\$100	\$200	\$200
Total Value:	\$483,000	\$1,230,400	\$1,230,400
Commercial Effective Tax Rate:	87.776	87.776	87.776
Retail Abatement %:	0%	0%	0%
Annual Prop. Tax for Retail:	\$14,839	\$37,800	\$37,800
Residential Units:			
# of Units:	4	4	9
Avg Value per Unit: [1]	\$50,000	\$767,675	\$767,675
Total Value: [2]	\$200,000	\$3,070,700	\$3,070,700
Residential Effective Tax Rate:	68.76	68.76	68.76
Residential Abatement %:	0%	70%	0%
Annual Prop. Tax for Residential Units:	\$4,813	\$22,170	\$73,899
Office/Retail Payroll:			
Annual Payroll (est):	\$150,000	\$250,000	\$250,000
Annual Income Tax:	\$3,750	\$6,250	\$6,250
Residential Income Tax:			
Min. Income/HH: [3]	\$19,800	\$202,334	\$211,140
Total HH Income - All Units:	\$79,200	\$809,334	\$1,900,260
Annual Income Tax:	\$713	\$7,284	\$17,102
School District Income Tax:	\$594	\$6,070	\$14,252
Total Value of Real Estate:	\$683,000	\$4,301,100	\$4,301,100
Property Tax Receipts:	\$19,652	\$59,970	\$111,699
Income Tax Receipts:	\$1,307	\$13,354	\$31,354
Annual Tax Receipts:	\$20,959	\$73,324	\$143,054

Pre-Development Tax Receipts:

\$20,959

Peak Incentive Tax Receipts:

\$73,324

Post-Incentive Tax Receipts:

\$143,054

* "Tax Receipt" figures are estimates, based on reasonable assumptions including valuation and average household incomes

CASE STUDY: BEXLEY MAIN STREET



CASE STUDY: BEXLEY MAIN STREET

- Early 2000's TIF on all Main Street properties; designed to help fund future streetscape and related improvements
- Bexley Community Foundation grant
- ODOT/Federal OPWC Grant of \$2.1M
- Phase I project: Medians, bricks, streetscape, trees (2012)
- Phase II project: developing creekside park off of Main (2018)
- Phase III project: Trail of pocket parks(?) (2023)
- Incentive district TIF now generates \$250,000 annually for City

CASE STUDY: BEXLEY MAIN STREET



Streetscape Using TIF

CASE STUDY: 2013-2016 CITY HALL REDEVELOPMENT



City Hall Site: Then



City Hall Site: Now

CASE STUDY: 2013-2016 CITY HALL REDEVELOPMENT

- Prime development parcel
- Occupied by City Hall, vacated police station, City service garages

CASE STUDY: 2013-2016 CITY HALL REDEVELOPMENT

- Bexley Community Improvement Corporation formed – 2013 to help assist with complex project
- Sale of City Hall/service facility site to private developer
 - Private developer agrees to construct two-story, urban Giant Eagle Market District store
 - Urban redevelopment TIF

CASE STUDY: 2013-2016 CITY HALL REDEVELOPMENT

- Urban Redevelopment TIF
 - On former city hall site - previously tax exempt
 - School district participates, with reduced PILOT
 - Helps pay for costs of relocated/new City Hall / Service Garage properties



CASE STUDY: 2013-2016 CITY HALL REDEVELOPMENT

- City purchase of Bexley Square Shopping Center
 - Private portion to be managed by CIC
 - Funded with help from urban redevelopment TIF from City Hall site
- Also funded with expected profit from operation of shopping center
- TIF and shopping center have since exceeded expectations, fully funding redevelopment of former municipal site and providing excess revenue to City and CIC

CASE STUDY: 2013-2016 CITY HALL REDEVELOPMENT



Bexley Square: Then



Bexley Square: Now

CASE STUDY: 2013-2016 CITY HALL REDEVELOPMENT

