**ORDINANCE NO. 63 – 14**

By: Steve Keyes

**An ordinance to amend Section 886 the Bexley Codified Ordinances, in order to**

**amend and comprehensively codify the Bexley Community Reinvestment Area program.**

**WHEREAS,** Ordinance 36-14 created a sunset provision on residential abatements within the Main Street Re/Development District; and

**WHEREAS**, it is the desire of Council to continue to offer a residential abatement program within the Main Street Re/Development District under the terms, conditions, and specifications contained within this ordinance; and

**WHEREAS**, it is the desire of Council to codify and amend the City’s Community Reinvesment Area Programs; and

**NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF BEXLEY:**

**Section 1.**

That Section 886 of the Bexley Codified Ordinances be amended as follows:

**886.01 HOUSING OFFICER.**

The Mayor or the Mayor’s designee shall serve as the “Housing Officer” for all “community reinvestment areas” established by resolution of Council, and the City of Bexley is authorized and directed to administer and implement Sections 3735.65 to 3735.69 of the Ohio Revised Code. The Housing Officer shall also verify the construction of a new structure and shall determine whether the costs of remodeling meet the requirements for an exemption under Section 3735.67 of the Ohio Revised Code. (Ord. 67-02. Passed 9-24-02.; Ord. \_\_\_-14, Passed \_\_\_\_\_\_\_)

**886.02 COMMUNITY REINVESTMENT AREA PROGRAM.**

(a) The City of Bexley shall utilize the procedures described under Section 3735.65 to 3735.69 of the Ohio Revised Code in review of proposals for the establishment of new Community Reinvestment Areas .

(b) The City of Bexley shall forward each such proposal, which satisfies the requirements of the state statute in all particulars, to City Council for consideration. Each proposal shall be accompanied by legislation pursuant to Section 3735.66 of the Ohio Revised Code and recommendation for approval or disapproval from the City of Bexley.

(c) The legislation prepared pursuant to Section 3735.66 of the Ohio Revised Code

shall describe the boundaries of the Community Reinvestment Area under consideration,

establish that conditions described under Division (B) of Section 3735.65 of the Ohio Revised Code exist in the area and establish the amount and period of tax exemptions within the limits authorized by Section 3735.67 of the Ohio Revised Code and the Tax Incentive Program, Policy and Procedures Plan as adopted by Council. Legislation adopted and approved pursuant to this subsection shall be published in a newspaper of general circulation once a week for two consecutive weeks immediately following its adoption as required by Section 3735.66 of the Ohio Revised Code. (Ord. 67-02. Passed 9-24-02; Ord. \_\_\_-14, Passed \_\_\_\_\_\_\_)

**886.03 APPLICATION FOR TAX EXEMPTION.**

The owner of eligible real property located in a Community Reinvestment Area may

file an application for an exemption from real property taxation for a new structure or

remodeling completed after the effective date of the legislation adopted pursuant to Section 886.02(c) (for residential properties) or after the execution of a written Community Reinvestment Area Agreement pursuant to Section 886.08 (for commercial and industrial properties) with the Housing Officer. (Ord. 67-02. Passed 9-24-02.; Ord. \_\_\_-14, Passed \_\_\_\_\_\_\_)

**886.04 VERIFICATION BY HOUSING OFFICER.**

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 meets the requirements for an exemption. In cases involving a structure of historical or architectural significance, the Housing Officer shall not determine whether the remodeling meets the requirements for a tax exemption unless the appropriateness of the remodeling has been certified, in writing, by the society, association, agency, or legislative authority that has designated the structure or by any organization or person authorized, in writing, by such society, association, agency, legislative authority to certify the appropriateness of the remodeling. (Ord. 67-02. Passed 9-24-02.)

**886.05 FILING OF APPLICATIONS WITH FRANKLIN COUNTY AUDITOR.**

The Housing Officer shall forward applications which meet the requirements for the

exemption to the Franklin County Auditor with a certification as to the division of Section 3735.67 of the Ohio Revised Code under which the exemption is granted and the period of the exemption as determined by the legislative authority by legislation pursuant to Section 886.02(c). (Ord. 67-02. Passed 9-24-02.; Ord. \_\_\_-14, Passed \_\_\_\_\_\_\_)

**886.06 TAX EXEMPTION.**

For residential projects, the tax exemption shall first apply in the tax year in which the exemption application described in Section 886.03 is filed by the property owner. For commercial projects, the tax exemption shall first apply in the first tax year for which the new construction or remodeling would first be taxable but for the CRA exemption . If the remodeling qualifies for an exemption under Section 886.08, during the period of exemption the dollar amount by which the remodeling increased the market value of the structure shall be exempt from real property taxation. If the construction of a new structure qualifies for an exemption under Section 886.08, the assessed value of the new structure shall be exempt from real property taxation. (Ord. 67-02. Passed 9-24-02.; Ord. \_\_\_-14, Passed \_\_\_\_\_\_\_)

**886.07 FEES.**

All commercial and industrial projects are required to comply with the State of Ohio

application fee requirements under Section 3735.672(C) of the Ohio Revised Code and the local processing fees outlined pursuant to legislation and in the Tax Incentive Program, Policy and Procedures Plan as adopted by Council. (Ord. 67-02. Passed 9-24-02.; Ord. \_\_\_-14, Passed \_\_\_\_\_\_\_)

**886.08 DECLARATION OF PUBLIC PURPOSE.**

The construction of new structures and the remodeling of existing structures are hereby

declared to be a public purpose for which exemptions from real property taxation may be granted.

Main Street Re/Development District Community Reinvestment Area:

Within the Main Street Re/Development District Community Reinvestment Area, only (i) residential properties, and (ii) commercial properties for mixed-use development consisting of any combination of residential, commercial and retail uses including hotel, conference center and lodging facilities; corporate headquarters; high technology, computer and other information-based operations are eligible to apply for tax exemption. To apply for the tax exemptions, the properties must be consistent with the applicable zoning regulations, municipal plans for development or redevelopment, and the Main Street Design Guidelines.

For commercial properties for mixed-use development (as described above), exemptions shall be available for new construction and remodeling of existing structures, and shall be negotiated on a case-by-case basis in advance of construction, all in accordance with Section 3735.67 of the Ohio Revised Code and the Tax Incentive Program, Policy and Procedures Plan adopted by Council. The results of the negotiation of any exemption shall be set forth in writing in a Community Reinvestment Area Agreement pursuant to and in accordance with Section 3735.671 of the Ohio Revised Code, each of which shall be approved by City Council.

All residential new construction properties shall be eligible for tax exemptions for the increase in the assessed valuation resulting from the improvements as described in Section 3735.67 of the Ohio Revised Code under the schedule described below:

Minimum Average Investment of $150,000 per unit, 5 year, 50% per year.

Minimum Average Investment of $200,000 per unit, 7 year, 50% per year.

Minimum Average Investment of $250,000 per unit, 10 year, 50% per year.

Minimum Average Investment of $300,000 per unit, 15 year, 70% per year.

Such exemptions shall be granted upon application by the property owner and certification thereof by the Housing Officer. For purposes of the Main Street Re/Development District Community Reinvestment Area, residential properties include stand-alone residential buildings, residential properties that are part of a multiple-unit residential building, common area or limited common area portions of multiple-unit residential buildings, residential properties that are part of a mixed-use building, and common area or limited common area portions of a mixed-use building that may be used only for the benefit of the residential properties within the mixed-used building.

No industrial properties shall be eligible for exemption.

North Cassady/Delmar Drive Re/Development District Community Reinvestment Area:

Within the North Cassady/Delmar Drive Re/Development District Community Reinvestment Area, new construction and/or remodeling of all structures, whether residential, commercial or industrial with a minimum investment of $25,000 are eligible to apply for tax exemption. To apply for the tax exemptions, the properties must be consistent with the applicable zoning regulations.

For commercial and industrial properties, exemptions shall be available for new construction and remodeling of existing structures, and shall be negotiated on a case-by-case basis in advance of construction, all in accordance with Section 3735.67 of the Ohio Revised Code and the Tax Incentive Program, Policy and Procedures Plan adopted by City Council. The percentage of exemption for commercial and industrial projects is set forth in the schedule below. The results of the negotiation of any exemption shall be set forth in writing in a Community Reinvestment Area Agreement pursuant to and in accordance with Section 3735.671 of the Ohio Revised Code, each of which shall be approved by City Council.

All residential new construction and/or remodeling shall eligible for tax exemptions for the increase in the assessed valuation resulting from the improvements as described in O.R.C. Section 3735.67 as under the schedule described below. For purposes of the North Cassady/Delmar Drive Re/Development District Community Reinvestment Area, residential properties include stand-alone residential buildings, residential properties that are part of a multiple-unit residential building, common area or limited common area portions of multiple-unit residential buildings, residential properties that are part of a mixed-use building, and common area or limited common area portions of a mixed-use building that may be used only for the benefit of the residential properties within the mixed-used building.

Exemption Terms and Percentages For North Cassady/Delmar Drive Re/Development District Community Reinvestment Area

|  |  |  |
| --- | --- | --- |
| **Project Type** | **% Abated** | **Maximum Term** |
| 1 & 2-Family Dwelling—Remodeling | 50% | 5 years |
| 3+ Family Dwelling—Remodeling | 50% | 5 years |
| Commercial/Industrial Remodeling | 75% | 10 years |
| 1 & 2-Family New Construction | 50% | 10 years |
| 3+ Family New Construction | 50% | 10 years |
| Commercial/Industrial New Construction | 75% | 10 years |
| Mixed Use New Construction | 75% | 12 years |

(Ord. 67-02. Passed 9-24-02; Amended Ord. 28-09. Passed 6-9-09; Amended Ord. 14-10. Passed 4-13-10; Amended Ord. 36-14. Passed 8-12-14; Amended Ord. 71-06. Passed 10-10-06; Ord. \_\_\_-14, Passed \_\_\_\_\_\_\_)

**886.09 ANNUAL INSPECTIONS.**

The Housing Officer shall make annual inspections of the properties within the

Community Reinvestment Area upon which are located new structures or remodeling for which an exemption has been granted. 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 Franklin County Auditor and the owner of the property that the tax exemption no longer applies. If the Housing Officer revokes a tax exemption, the Housing Officer shall send a report of the revocation to the Community Reinvestment Area Housing Council established pursuant to this chapter below containing a statement of the Housing Officer’s findings as to the maintenance and repair of the property and the Housing Officer’s reason revoking the exemption. (Ord. 67-02. Passed 9-24-02.; Ord. \_\_\_-14, Passed \_\_\_\_\_\_\_)

**886.10 COMMUNITY REINVESTMENT AREA COUNCIL.**

(a) A Community Reinvestment Area Housing Council shall be appointed for each

Community Reinvestment Area, pursuant to Section 3735.69 of the Ohio Revised Code. The Council shall be composed of two members appointed by the Mayor, two members appointed by the Council, and one member appointed by the Planning Commission. The majority of the foregoing members shall then appoint two additional members who shall be residents within the area. Terms of the members shall be for three years. Unexpired terms resulting from a vacancy in the Council shall be filled in the same manner as the initial appointment was made.

(b) The Community Reinvestment Area Housing Council shall make an annual

inspection of the properties within the Community Reinvestment Area for which an exemption has been granted. The Council shall also hear appeals under Section 886.12, pursuant to Section 3735.70 of the Ohio Revised Code. (Ord. 67-02. Passed 9-24-02.)

**886.11 TAX INCENTIVE REVIEW COUNCIL.**

A Tax Incentive Review Council shall be established pursuant to Section 5709.85 of the

Ohio Revised Code, and shall consist of three members appointed by the Board of County Commissioners, two representatives of the City, appointed by the Mayor with Council concurrence, the County Auditor or designee and a representative of the Bexley Board of Education. At least two members shall be residents of the City. The Tax Incentive Review Council shall review annually the compliance of all agreements involving the granting of exemptions for commercial or industrial real property improvements under Section 3735.671 of the Ohio Revised Code and make written

recommendations to this Council as to continuing, modifying or terminating said agreement based upon the performance of the agreement. (Ord. 67-02. Passed 9-24-02.; Ord. \_\_\_-14, Passed \_\_\_\_\_\_\_)

**886.12 APPEALS BY AGGRIEVED PERSONS.**

Any person aggrieved under this chapter may appeal to the Community Reinvestment

Area Housing Council, which shall have the authority to overrule any decision of the Housing Officer. Appeals may be taken from a decision of the Council to the Franklin County Court of Common Pleas. (Ord. 67-02. Passed 9-24-02.)

**Section 2.**

That this ordinance shall go into effect and be in force from and after the earliest period allowed by law.

Passed:\_\_\_\_\_\_\_\_\_\_, 2014

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

President of Council

Attest:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Clerk of Council

Approved:\_\_\_\_\_\_\_\_\_\_\_, 2014

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Ben Kessler, Mayor

First Reading:

Second Reading:

Third Reading:

Alternative Abatement Percentages within

Main Street Re/Development District:

All residential new construction properties shall be eligible for tax exemptions for the increase in the assessed valuation resulting from the improvements as described in Section 3735.67 of the Ohio Revised Code under the schedule described below:

**Option A:**

**As drafted – streamlines abatement %, but keeps overall %, investment, and term the same:**

Minimum Average Investment of $150,000 per unit, 5 year, 50% per year.

Minimum Average Investment of $200,000 per unit, 7 year, 50% per year.

Minimum Average Investment of $250,000 per unit, 10 year, 50% per year.

Minimum Average Investment of $300,000 per unit, 15 year, 70% per year.

**Option B:**

**Incentivizes affordable housing options:**

Average Investment of $150,000 per unit or less: 15 year, 100% per year.

Average Investment of $200,000 per unit or less: 10 year, 100% per year.

Average Investment of $500,000 per unit or less: 10 year, 75% per year.

Average Investment of more than $500,000 per unit: 10 year, 50% per year.

**Option C:**

**Incentivizes premium housing options:**

Minimum Average Investment of $150,000 per unit, 10 year, 25% per year.

Minimum Average Investment of $300,000 per unit, 10 year, 50% per year.

Minimum Average Investment of $500,000 per unit, 10 year, 75% per year.

Minimum Average Investment of $750,000 per unit, 15 year, 100% per year.

**Option D:**

**Straightforward option:**

10 year, 100% per year

* or –

15 year, 70% per year