

RESOLUTION NO. 9 - 19

By: Steve Keyes

A Resolution adopting the 2019 recommendations of the Bexley Tax Incentive Review Council regarding tax-abated properties in the City of Bexley.

WHEREAS, UNDER O.R.C. Section 3735.67, the owners within three developments on East Main Street have submitted applications for, and been granted, tax exemptions on real property improvements; and

WHEREAS, the owner of Bexley Gateway Plaza (Parcel N. 020-004740 aka 2152-2158 East Main Street) is Bexley Gateway Plaza Ltd and the property was granted a 15-year 50% tax exemption under Ordinance 74-04; and

WHEREAS, the owners of the condominiums and garages at Bexley Gateway Plaza (parcels 020-000380, 020-004741, 020-004742, 020-004756 through 020-004783, 020-004785 through 020-004815, 020-004818 through 020-004838, and 020-004843 through 020-004845) have applied for and received tax abatements under the Bexley Main Street Residential CRA, consisting of a 15-year abatement averaging 70%; and

WHEREAS, the owners of Parcel 020-004737 and 020-004738 were granted a 15-year declining tax exemption (100% years 1-5; 75% years 6-9; 50% years 10-13; 25% years 14-15) under Ordinance 14-10; and

WHEREAS, the owners of the condominiums at the Gramercy (parcels 020-004866, 020-004867, 020-004868, 020-004869) have applied for and received tax abatements under the Bexley Main Street Residential CRA, consisting of a 70%, 15-year abatement commencing in tax year 2018; and

WHEREAS, the Main Street Community Redevelopment Area Housing Council and the Housing Officer have inspected these properties; and

WHEREAS, at a meeting on August 27, 2019, the Bexley Tax Incentive Review Council ("TIRC") reviewed the tax exemption agreements and investment, payroll, and job commitments contained in those agreements versus progress made toward achieving those commitments; and

WHEREAS, the Bexley Tax Incentive Review Council has recommended the continuance of the abatements that have been provided by the City of Bexley, and has reviewed the City's Tax Increment Financing district and fund status, and the corresponding TIRC report is attached to this Resolution as "Exhibit A";

NOW THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF BEXLEY, OHIO:

Section 1. That the existing real property tax exemption for parcel 020-004740 (Bexley Gateway Plaza) shall be continued.

Section 2. That the existing residential abatements for the condominiums and garages located at Bexley Gateway Plaza, parcels 020-000380, 020-004741, 020-004742, 020-004756 through 020-004783, 020-004785 through 020-004815, 020-004818 through 020-004838, and 020-004843 through 020-004845, shall be continued.

Section 3. That the abatements for parcel 020-004737 and 020-004738 (One Dawson) be continued for the terms and percentages specified in Ordinance No. 14-10, dated April 13, 2010, beginning at 100% for the first effective year of the abatement and declining to 25% by the expiration of the term, for an average of 70%, shall be continued.

Section 4. That the residential abatements for the condominiums located at the Gramercy, for parcels 020-004866, 020-004867, 020-004868, 020-004869, commencing in 2018 and continuing for 15 years at a 70% abatement, shall be continued.

Section 5. This Resolution shall go into full force and effect at the earliest date allowed by law.

Passed: October 15, _____, 2019




Lori Ann Feibel, President of Council

Attest: 

Clerk of Council

Approved: October 15, 2019



Ben Kessler, Mayor

First Reading: September 10, 2019

Second Reading: 9-24-19

Third Reading: 10-15-19

Passed 10-15-19



Report to the Bexley Tax Incentive Review Council

August 27, 2019

Data presented in this report is based upon self-reporting from Bexley businesses from a survey that was sent out in early 2019. Where self-reported data was not available, and also to confirm self-reported data, City staff consulted with RITA and other available sources in order to compile the information herein.

One Dawson Building

2372 East Main Street

Tax Incentive Term:	15 years (100% years 1-5; 75% years 6-9; 50% years 10-13; 25% years 14-15)
Real Estate Commitment:	N/A
Payroll Commitment:	N/A

The payroll commitment and abatement on the commercial portion of this project expired in 2013.

The active abatement at this property is parcel 020-004737 (unit 400) and parcel 020-004738 (unit 500). This is abated under the City's residential abatement for a 15-year term commencing in 2013 (unit 400), and 2015 (unit 500).

One Dawson Place is a mixed-use property with one commercial suite and residential condominiums. Unit 500 has become recently vacant due to the death of the owner, and is being marketed for sale. All other units are occupied.

Tax Delinquencies: None

Bexley Gateway Plaza
2152-2158 East Main Street

Tax Incentive Term:	15 years (2008-2023)
Real Estate Commitment:	\$17,700,000
New Job Commitment:	79 total (FTE/PTE combo)
Actual New Jobs:	103 (39 FTE & 64 PTE)
Payroll Commitment:	\$1,200,000
Current Payroll:	\$7,817,517.41
Project Investment through end 2018:	\$30,234,000

Bexley Gateway Plaza is a mixed-use property with commercial suites and residential condominiums. There are seven commercial tenants located on the property, and 33 total condo units.

There are currently 45 full-time and 64 part-time employees, 39 full-time and 64 part-time of which are new and attributed to the CRA Agreement. The total payroll ending on 12/31/2018 was \$7,817,517. Of this payroll, \$576,471 was retained, and \$7,241,047 was new payroll. Therefore, new payroll has significantly outperformed the \$1,200,000 commitment level, and the project is exceeding the job commitment of 79 new employees.

As of the CRA Housing Council tour in 2019, all residential condominium units had been sold.

Note: At the 2018 TIRC meeting, a motion was made to amend the agreement to lower the job commitment. Upon a complete review of previous amendments, it was found that a 2011 amendment had already been made that defined jobs as counting both full and part time employees; therefore the project has been in compliance for many years. A copy of the 2011 amendment is attached.

Tax Delinquencies: 020-004819 Susan Lake
020-004818 Susan Lake

Gramercy Building

2372 East Main Street

Tax Incentive Term: 15 years, 70% tax abatement
2018-2023

Real Estate Commitment: N/A

Payroll Commitment: N/A

Parcels: 020-004866, 020-004867, 020-004868, 020-004869

One Dawson Place is a mixed-use property with two commercial suites and residential condominiums. All units are occupied. The abatement applies to the residential parcels only, with a term from 2018 to 2033.

Tax Delinquencies: None

TIF Report

Main Street TIF District

Fund Balance:

2018 Beginning Fund Balance: \$133,418

2018 TIF Income: \$279,076

2018 TIF Operating Expenses*: (\$58,761)

2018 TIF Prop. Tax Collection Fees: (\$6,500)

2018 TIF Debt Service: (\$160,665)

Total TIF Expenditures: (\$225,926)

Ending TIF Fund Balance: \$188,642

Cumulative TIF Expenditures: \$3,453,184 (2005-2018)

TIF RE Investment Projection: \$40,100,000

2018 Real Property Improvements: \$807,223

Total Real Property Improvements: \$41,344,038

The Main Street TIF District was created in 2005. Out of an initial real estate investment projection of \$40.1 million, there has been a reported \$41,344,038 in real property improvements, an increase of \$807,223 in 2018.

Expenditures of money from the tax increment equivalent fund for public infrastructure associated with the TIF in calendar year 2018 were \$225,926; cumulatively approximately \$3.45 million.

Itemization of TIF Operating Expenses:

<u>Item</u>	<u>Vendor</u>	<u>Expense</u>
Schneider Main Street Trailhead	Brian Kent Jones Arch.	\$2,360.00
Schneider Main Street Trailhead	EP Ferris	\$1,017.50
City Hall Improvements	Columbus Sign	\$4,410.63
Drexel TIF Reimbursement	CAPA	\$8,000.00
MRMJ TIF Reimbursement	MRMJ	\$12,973.00
City Hall Masonry Improvements	Mouser	\$30,000.00

TIF Reimbursement Agreements:

Owner: MRMJ
 Address: 2400 East Main Street
 Date of Agreement: May, 2006 (Ordinance 35-06)
 2018 TIF Contribution: \$44,200.26 (tax year 2017)
 Cumulative TIF Contribution: \$245,874.43
 2018 TIF Reimbursements: \$12,973 (tax year 2017)
 Cumulative TIF Reimbursement: \$59,255

TIF Reimbursement Agreements:

Owner: CAPA
 Address: 2400 East Main Street
 Date of Agreement: August, 2016 (Ordinance 13-16)
 2018 TIF Contribution: \$0 (Exempt)
 Cumulative TIF Contribution: \$0
 2018 TIF Reimbursements: \$8,000
 Cumulative TIF Reimbursement: \$16,000

This TIF reimbursement agreement was passed by City Council in 2016, and provides for the reimbursement of \$40,000 for TIF-eligible expenses. The first \$8,000 reimbursement payout is projected to be processed in 2017.

Main Street Re:Development TIF Tax Delinquencies:

TIF NAME	PARCEL #	PROJECT #	NAME1	TOTAL TIF TAX DUE
BEXLEY MAIN ST TIF	020-004819-00	90-076	LAKE SUSAN E	\$ 313.14
BEXLEY MAIN ST TIF	020-004818-00	90-076	LAKE SUSAN E	\$ 313.14
BEXLEY MAIN ST TIF	020-004837-00	90-076	ROBERT C. FLEISCHER	\$ 55.29
BEXLEY MAIN ST TIF	020-003457-00	90-076	PVL INC	\$ 3,755.11
BEXLEY MAIN ST TIF	020-003973-00	90-076	TAHARATH HAMISHPACHA SOCIETY	\$ 26,457.35

Highlighted parcels were also delinquent in 2018 at time of TIRC

Bexley City Hall Urban Redevelopment TIF District

The Bexley City Hall Urban Redevelopment TIF District was created via ordinance in 2014. The TIF fund was not active until tax year 2018, following the completion of new construction (The Bexley Market District Express) on the TIF site.

Proceeds from this TIF will be used to reimburse the City's costs in relocating off of the former City Hall / Service Garage site.

2019 Income Projections:

2019 Beginning Fund Balance:	\$0
2019 TIF Income (Proj.):	\$195,000

2019 Expense Projections:

Property Tax Collection Fees:	(\$2,000)
School District PILOT:	(\$48,750)
Debt Service on City Hall:	(87,975)

2019 Proj. End TIF Fund Balance: \$58,275

Cumulative TIF Expenditures: N/A