

THE CITY COUNCIL OF NORTH ROYALTON, OHIO

ORDINANCE NO. 15-34

INTRODUCED BY: Mayor Stefanik, Langshaw, Marnecheck

AN ORDINANCE IMPLEMENTING SECTIONS 3735.65 THROUGH 3735.70 OF THE OHIO REVISED CODE, ESTABLISHING AND DESCRIBING THE BOUNDARIES OF COMMUNITY REINVESTMENT AREA IN THE CITY OF NORTH ROYALTON, DESIGNATING A HOUSING OFFICER TO ADMINISTER THE PROGRAM, AND CREATING A COMMUNITY REINVESTMENT AREA HOUSING COUNCIL, AND DECLARING AN EMERGENCY

WHEREAS: The Council of the City of North Royalton (hereinafter “Council”) desires to pursue all reasonable and legitimate incentive measures to assist and encourage development in specific areas of the City of North Royalton that have not enjoyed reinvestment from remodeling or new construction; and

WHEREAS: A survey of housing, a copy of which is on file in the office of the Legislative Director as required by Ohio Revised Code (ORC) Section 3735.66 has been prepared for the area to be included in the proposed Community Reinvestment Area; and

WHEREAS: The maintenance of existing and construction of new structures in such area would serve to encourage economic stability, maintain real property values, and generate new employment opportunities; and

WHEREAS: The remodeling of existing structures or the construction of new structures in this Community Reinvestment Area constitutes a public purpose for which real property exemptions may be granted.

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

Section 1. The area designated as the North Royalton Community Reinvestment Area constitutes an area in which housing facilities or structures of historical significance are located, and in which new construction or repair of existing facilities has been discouraged.

Section 2. Pursuant to ORC Section 3735.66, the North Royalton Community Reinvestment Area shall consist of all parcels of land within the corporate limits of the City of North Royalton. The Community Reinvestment Area is depicted as the outlined area on the map attached to this Ordinance (see Exhibit A) and by this reference incorporated herein.

Section 3. Only commercial and industrial properties identified in Exhibit A as being within the designated Community Reinvestment Area are eligible for exemptions under this legislation. This is a public/private partnership intended to promote and expand conforming uses in the designated area.

Section 4. Within the Community Reinvestment Area, the percentage of the tax exemption on the increase in the assessed valuation resulting from improvements to commercial and industrial real property and the term of those exemptions shall be negotiated on a case-by-case basis in advance of construction or remodeling occurring according to the rules outlined in the ORC Section 3765.67. For commercial and industrial property, a tax exemption on the increase in the assessed valuation resulting from the improvements as described in ORC Section 3735.67 may be granted upon application by the property owner and certification thereof by the designated Housing Officer for the following periods.

- a. Up to, and including, twelve (12) years, and up to, and including, one hundred percent (100%) for the remodeling of existing commercial and industrial facilities and upon which the cost of remodeling is at least \$5,000, as described in ORC Section 3735.67, the term and percentage of which shall be negotiated on a case-by-case basis in advance of remodeling occurring.
- b. Up to, and including, fifteen (15) years, and up to, and including, one hundred percent (100%) for the construction of new commercial or industrial facilities, the term and percentage of which shall be negotiated on a case-by-case basis in advance of construction occurring.

If remodeling qualifies for an exemption, during the period of the exemption, the exempted percentage of the dollar amount of the increase in market value of the structure shall be exempt from real property taxation. If new construction qualifies for an exemption, during the period of the exemption the exempted percentage of the structure shall not be considered to be an improvement on the land on which it is located for the purpose of real property taxation.

The results of the negotiation, if approved by this Council, will be in writing in a Community Reinvestment Area Agreement as outlined in ORC Section 3735.671.

Section 5. All commercial and industrial projects are required to comply with the state application fee requirements of ORC Section 3735.672 (C) and the local annual monitoring fee of one percent of the amount of taxes exempted under the agreement - a minimum of \$500 up to a maximum of \$2500 annually unless waived.

Section 6. To administer and implement the provisions of this Ordinance, the Building Commissioner is designated as the Housing Officer as described in Sections 3735.65 through 3735.70.

Section 7. "Community Reinvestment Area Housing Council" is hereby created, consisting of two members appointed by the Mayor of North Royalton, two members appointed by the Council of the City of North Royalton and one member appointed by the Planning Commission of the City of North Royalton. The majority of the members shall then appoint two additional members who shall be residents of the city. Terms of the members of the Council shall be for three years. An unexpired term resulting from a vacancy in the Council shall be filled in the same manner as the initial appointment was made.

- a. After a tax exemption agreement is finally approved, the City's Tax Incentive Review Council shall thereafter monitor the property owner's compliance with all of the provisions of the agreement, and make recommendations to the City Council, as provided for by state law.

Section 8. The City Council reserves the right to re-evaluate the designation of the North Royalton Community Reinvestment Area after December 31st each year, at which time the Council may direct the Housing Officer not to accept any new applications for exemptions as described in Section 3735.67 of the ORC.

Section 9. The Community Reinvestment Area Housing Council shall make an annual inspection of the properties within the district for which an exemption has been granted under Section 3735.67 of the ORC. The Council shall also hear appeals under 3735.70, of the ORC. This CRAH Council shall perform the duties outlined in the Ohio Revised Code Section 3735.65 through 3735.70.

Section 10. The Council hereby finds and determines that all formal actions relative to the passage of this Ordinance were taken in an open meeting of this Council, that all deliberations of this Council and of its committees, if any, which resulted in formal action were taken in meetings open to the public, in full compliance with the applicable legal requirements, including Section 121.22 of the ORC.

Section 11. The Mayor of the City of North Royalton is hereby directed and authorized to petition the Director of the Ohio Development Services Agency to confirm the findings contained within this Ordinance.

Section 12. This Ordinance is hereby declared to be an emergency measure immediately necessary for the preservation of the public peace, health, safety and welfare of the city, and for the further reason that it is immediately necessary to implement Sections 3735.65 through 3735.70 of the Ohio Revised Code, establishing and describing the boundaries of Community Reinvestment Area in the City of North Royalton, designating a Housing Officer to administer the program, and creating a Community Reinvestment Area Housing Council.

THEREFORE, provided this Ordinance receives the affirmative vote of two-thirds of all members elected to Council, it shall take effect and be in force immediately upon its passage and approval by the Mayor; otherwise, from and after the earliest period allowed by law.

/s/ Larry Antoskiewicz
PRESIDENT OF COUNCIL

APPROVED: /s/ Robert Stefanik
MAYOR

DATE PASSED: March 3, 2015

DATE APPROVED: March 3, 2015

ATTEST: /s/ Laura J. Haller
DIRECTOR OF LEGISLATIVE SERVICES

First reading suspended
Second reading suspended
Third reading March 3, 2015

YEAS: Antoskiewicz, Nickell, Petrusky, Langshaw,
Marnecheck, Muller, Kasaris

NAYS: none