

## ORDINANCE NO. 2015-20

### AN ORDINANCE IMPLEMENTING SECTIONS 3735.65 THROUGH 3735.70 OF THE OHIO REVISED CODE, ESTABLISHING AND DESCRIBING THE BOUNDRIES OF COMMUNITY REINVESTMENT AREA NUMBER ONE IN THE VILLAGE OF ARCANUM, OHIO, DESIGNATING A HOUSING OFFICER TO ADMINISTRATE THE PROGRAM, AND CREATING A COMMUNITY REINVESTMENT HOUSING COUNCIL AND A TAX INCENTIVE REVIEW COUNCIL

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**WHEREAS**, the council of the Village of Arcanum, (hereinafter "Council") desires to pursue all reasonable and legitimate incentive measures to assist and encourage development in specific areas of the Village of Arcanum, Ohio, that have not enjoyed reinvestment from remodeling or new construction;

**WHEREAS**, a survey of housing, a copy of which is on file in the office of Village of Arcanum 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 Number One;

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

**WHEREAS**, the remodeling of existing structures or the construction of new structures in Community Reinvestment Area Number One constitutes a public purpose for which real property exemptions may be granted.

**NOW, THEREFORE, BE IT ORDAINED BY THE VILLAGE OF ARCANUM, DARKE COUNTY, OHIO THAT:**

**Section 1:** The area designated as the Arcanum Community Reinvestment Area Number One constitutes an area in which housing facilities or structures are located, and in which new construction or repair of existing facilities has been discouraged:

**Section 2:** Pursuant to ORC Section 3735.66, the Arcanum Community Reinvestment Area Number One is hereby established in the described area:

The entire incorporated area of the Village of Arcanum, Ohio bounded by the following Streets: North: Greenmoor Drive, Edgewood Drive, Hollansburg-Sampson Road, and a line north of Chippewa Court;  
East: North Main Street, the east line of the School tract proceeding South to South Street and then further east to a line that proceeds south to a line perpendicular to Pop Rite Drive;

South: A line that extends along Pop Rite Drive and then south to Blank Street and west to a line south of the west ball diamond property line;

West: The west line of the ball diamond property extended south to the south line; then west along the alley north of the ball diamond property extended west to a line west of Westview Street to Westerly end of South Street and the west and north along the Harvest Fields Subdivision; and then north along a straight line intersecting with the west end of Ireland Boulevard; and then east and north to Edgewood Drive.

The Arcanum Community Reinvestment Area Number One is approximately depicted as the area located within the designated "corporation boundary" shown on the map attached to this Ordinance (see Exhibit A) and by this reference incorporated herein.

Only residential, commercial, and/or industrial properties consistent with the applicable zoning regulations within the designated Arcanum Community Reinvestment Area Number One will be eligible for exemptions under this Program.

**Section 3:** All properties identified in Exhibit A, as being within the designated Arcanum

Community Reinvestment Area Number One are eligible for this incentive. This proposal is a public/private partnership intended to promote and expand conforming uses in the designated area. As part of the project, the Village of Arcanum intends to undertake supporting public improvements in the **designated** area.

**Section 4:** Within the Community Reinvestment Area Number One, 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 ORC Section 3735.67. The results of the negotiation as approved by this Council will be set in writing in a Community Reinvestment Area Agreement as outlined in ORC Section 3735.671. For residential property, a tax exemption on the increase in the assessed valuation resulting from improvements as described in ORC 3735.67 shall be granted upon proper application by the property owner and certification thereof by the designated Housing Officer for the following periods.

- (a) Five (5) years, for the remodeling of every residential dwelling unit containing not more than two housing units and upon which the cost of remodeling is at least \$2,500, as described on ORC Section 3735.67, and with such exemption being 100 percent (100%) for each of the five (5) years.
- (b) Five (5) years, for the remodeling of every residential dwelling unit containing more than two (2) housing units and upon which the cost of remodeling is at least \$5,000, as described on ORC Section 3735.67, and with such exemption being 100 percent (100%) for each of the five (5) years.
- (c) Five (5) years, for the construction of dwellings containing not more than two (2) housing units and as described in ORC Section 3735.67, with such exemption being 50 percent (50%) for each of the five (5) years.
- (d) Up to, and including, twelve (12) years, and up to, and including 100 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.
- (e) Up to and including, fifteen (15) years, and up to, and including, 100 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.

For the purpose of the above described Community Reinvestment Area, structures exclusively used for residential purposes and composed of two (2) and fewer units shall be classified as residential structures.

If remodeling qualifies for an exemption, during the period of the exemption, the exempt 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.

**Section 5:** All commercial and/or 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 (1%) 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 Village Administrator is designated as the Housing Officer as described in Section 3735.65 through 3735.70.

**Section 7:** That a "Community Reinvestment Area Housing Council" shall be created, consisting of two members appointed by the Mayor of the Village of Arcanum, two members

appointed by the Village Council of Arcanum and one member appointed by the Planning Commission of Darke County. The majority of the members shall then appoint two additional members who shall be residents within the area. Terms of the members of the Council shall be 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. The Community Reinvestment Area 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 Section 3735.70 of the ORC.

The Tax Incentive Review Council shall also be established pursuant to ORC Section 5709.85 and shall consist of three representatives appointed by the Board of County Commissioners, two representatives of the municipal corporation, appointed by the Municipal CEO with Council concurrence, the county auditor or designee and a representative of each affected Board of Education. At least two members must be residents of the Village of Arcanum. The Tax 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 ORC and make written recommendations to the Council as to continuing, modifying or terminating said agreement based upon the performance of the agreement.

**Section 8:** The Council reserves the right to re-evaluate the designation of the Arcanum Community Reinvestment Area Number One on or before December 31 of every 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.

**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 its committees, if any, which result 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:** That this Ordinance shall take effect and be in force from and after the earliest period allowed by law and upon confirmation by the Director of Ohio Development Service Agency of the findings in this Ordinance.

**Section 12:** The Mayor of the Village of Arcanum is hereby directed and authorized to petition the Director of the Ohio Development Service Agency to confirm the findings contained within this Ordinance.

**PASSED**, this 31 day of March, 2015.

Monte S Clark  
Monte Clark, President Pro Tem

Judith F. Foureman  
Mayor Judith Foureman

Attest:

Stephanie Harshbarger  
Stephanie Harshbarger, Fiscal Officer

1<sup>st</sup> Reading: 02/24/15

2<sup>nd</sup> Reading: 03/10/15

3<sup>rd</sup> Reading: 03/31/15