

## ORDINANCE 29-18

AN ORDINANCE AMENDING ORDINANCE 18-16 TO MODIFY THE TAX EXEMPTION TERMS AND PROVISIONS OF THE CITY'S PORT CLINTON DOWNTOWN COMMUNITY REINVESTMENT AREA, IMPLEMENTING SECTIONS 3735.65 THROUGH 3735.70 OF THE OHIO REVISED CODE, AND DECLARING AN EMERGENCY.

WHEREAS, this council of the City of Port Clinton (hereinafter "Council") desires to pursue all reasonable and legitimate incentive measures to assist and encourage development in the City of Port Clinton that have suffered from a lack of reinvestment from remodeling or from new construction; and

WHEREAS, this Council adopted Ordinance 18-16 on August 9 2016, establishing the Port Clinton Downtown Community Reinvestment Area (PCDCRA) and providing for certain real property tax exemptions for remodeling of eligible residential properties and for remodeling and new construction eligible commercial and industrial properties; and

WHEREAS, pursuant to Ohio Revised Code (ORC) Section 3735.66, an updated survey of housing, a copy of which is attached hereto as Exhibit A, and is also on file in the office of the Port Clinton City Auditor (the "2018 Housing Survey), has been prepared for the area included in the PCDCRA which has found that new housing construction has been discouraged as evidenced by the fact that no new housing structures have been built in the PCDCRA since 2004, prior to the establishment of the PCDCRA, even though there is vacant land available for purchase and development for residential purposes, which land has been available for more than a decade; and

WHEREAS, the construction of new residential structures in the PCDCRA would serve to encourage economic stability, maintain real property values, and generate new employment opportunities in the City; and

WHEREAS, this Council desires to amend the terms of the PCDCRA to an able 100% tax exemptions for eligible new home construction within the PCDCRA for up to 15 years; and

WHEREAS, the construction of new structures and the maintenance and reconstruction of existing structures in the PCDCRA constitutes a public purpose for which real property exemptions may be granted.

WHEREAS, this Council finds and determines that the findings of the 2018 Housing Survey should be and hereby are incorporated into this Ordinance.

NOW THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF PORT CLINTON, OTTAWA COUNTY, OHIO, THAT:

Section 1: The area designated as the Port Clinton Downtown 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 Port Clinton Downtown Community Reinvestment Area, is hereby established in the following described area:

- A. The South boundary line is the northerly right-of-way of the Norfolk and Southern Railroad Property running through the city.
- B. The East boundary line is the centerline of Adams Street extended from its point of intersection with the South boundary line north to the centerline of Perry Street, thence west in the centerline of Perry Street to its point of intersection with the centerline of Jefferson Street, thence due north to Lake Erie.
- C. The West boundary line is the centerline of Jackson Street, extended from a point of intersection with the South boundary line north to the centerline of the Portage River, thence westerly in the centerline of the Portage River to the point where it intersects the currently established west City corporation line, thence north following the contours of the west City corporation line to the shore of Lake Erie.
- D. The North boundary line is the shoreline of Lake Erie running from the point where the West boundary line intersects the shore of Lake Erie, to the point where the East boundary line intersects the shore of Lake Erie.

The Community Reinvestment Area is approximately depicted as the crosshatched area on the map attached to this Ordinance (see Exhibit B) and by this reference incorporated herein.

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

Section 3: All sections and provisions of Ordinance 18-16 not specifically amended hereby shall remain in full force and effect.

Section 4: All properties identified in Exhibit B as being within the designated PCDCRA 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 City of Port Clinton intends to undertake supporting public improvements in the designated area.

Section 5: Within the PCDCRA, 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. 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 the improvements as described in ORC Section 3735.67 shall be granted upon application by the property owner and certification thereof by the designated Housing Officer for the following periods.

- a. Ten (10) 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 in ORC Section 3735.67, and with such exemption being one-hundred percent (100 %) for each of the ten (10) years.

- b. Ten (10) years, for the remodeling of every residential dwelling unit containing two or more housing units and upon which the cost of remodeling is at least \$5,000, as described in ORC Section 3735.67, and with such exemption being one-hundred percent (100 %) for each of the ten (10) years.
- c. Fifteen (15) years, for the new construction of residential dwellings containing not more than two (2) housing units, as described in ORC Section 3735.67, with such exemption being one-hundred percent (100 %) for each of the fifteen (15) years.
- d. Up to, and including, ten (10) 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.
- e. Up to, and including, fifteen (15) years, and up to, and including, up to 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.

Section 6: 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 7: The City Council reserves the right to re-evaluate the designation of the Port Clinton Downtown Community Reinvestment Area annually, at which time the City Council may direct the Housing Officer not to accept any new applications for exemptions as described in Section 3735.67 of the ORC.

Section 8: The Mayor of the City of Port Clinton is hereby directed and authorized to petition the Director of the Ohio Development Services Agency to confirm the amendment of the PCDCRA and the findings contained within this Ordinance.

Section 9. A copy of this Ordinance shall be forwarded to the Ottawa County Auditor, and a copy of this Ordinance shall also be published in a newspaper of general circulation in the City once a week for two consecutive weeks, or as provided in Section 7.16 of the Revised Code, immediately following its passage.

Section 10: The Council hereby finds and determines that all formal actions of this Council and of any of its committees concerning and relating 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: This Ordinance is declared to be an emergency measure necessary for the immediate preservation of the public peace, health and safety of the City, and for the further reason that this Ordinance is required to be immediately effective in order to facilitate and enhance the economic development in the City, all in accordance with the current development plans of the City; wherefore, this ordinance shall be in full force and effect immediately upon its passage and approval by the Mayor, upon confirmation by the Director of the Ohio Development Services Agency of the findings in this Ordinance.

Passed: \_\_\_\_\_, 2018

\_\_\_\_\_  
President of Council

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

Approved \_\_\_\_\_, 2018

\_\_\_\_\_  
Mayor