

Ordinance No. _____

AN ORDINANCE IMPLEMENTING SECTIONS 3735.65 THROUGH 3735.70 OF THE OHIO REVISED CODE, ESTABLISHING AND DESCRIBING THE BOUNDARIES OF A COMMUNITY REINVESTMENT AREA IN THE VILLAGE OF NEW MADISON, OHIO, DESIGNATING A HOUSING OFFICER TO ADMINISTER THE PROGRAM, AND CREATING A COMMUNITY REINVESTMENT HOUSING COUNCIL AND TAX INCENTIVES REVIEW COUNCIL.

WHEREAS, the Council of the Village of New Madison, Ohio (hereinafter “Council”) desires to pursue all reasonable and legitimate incentive measures to assist and encourage development in the Village, which has not enjoyed reinvestment from remodeling or new construction;

WHEREAS, a survey of housing, 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;

WHEREAS, the maintenance of existing structures or the construction of new structures would serve to encourage economic stability, maintain real property values, and generate new employment opportunities; and

WHEREAS, the remodeling of existing structures and the construction of new structures in the 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 Village of New Madison, Darke County, Ohio:

Section 1: The area designated as the New Madison 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 New Madison Community Reinvestment Area is hereby established, consisting of the entire area within the Village of New Madison jurisdiction as exists on April 2, 2007. Future annexation or other modifications of the Village’s boundaries will require an amendment to this Ordinance before those areas are eligible for any Community Reinvestment Area Program exemptions.

The New Madison Community Reinvestment Area is approximately depicted as the highlighted area on the map attached to this Ordinance, marked Exhibit A, and by this reference incorporated herein.

Only residential, commercial, 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 properties identified in Exhibit A as being within the New Madison Community Reinvestment Area are eligible for this incentive. This Program is a public-private partnership intended to promote and expand conforming uses in the designated area. To the extent possible and necessary, the Village of New Madison, Ohio intends to improve public facilities and infrastructure in the area.

Section 4: For a residential property within the Community Reinvestment Area, a tax exemption on the increase in the assessed valuation resulting from improvements described in ORC Section 3537.67 shall be granted upon proper application by the property owner and certification thereof by the designated Housing Officer. All residential projects must be attached to the primary dwelling in order to qualify for the New Madison Community Reinvestment Area Program. Residential remodeling applications must be accompanied by expense receipts no more than one (1) year old that meet the cost requirement specified in Section 4 of this Ordinance. Residential applications on new construction projects must be filed with the Housing Officer no later than six (6) months after receiving an occupancy permit.

The applicable residential exemptions are as follows:

- (a) Residential Remodeling (1-2 units): Residential remodeling of dwellings with no more than two (2) housing units that results in at least \$10,000 (ten thousand dollars) of allowable expenses shall be eligible for an exemption of 50% (fifty percent) of the added value of the structure for four (4) years.
- (b) Residential Remodeling (3 or more units): Residential dwellings with three (3) or more housing units shall be considered commercial or industrial property and subject to the requirements of the applicable commercial/industrial provisions of this Program.
- (c) Residential New Construction: Residential new construction of single family homes for which the cost of construction, excluding the cost of the land or improvements to the land, exceeds \$125,000 (one hundred twenty five thousand dollars) shall be eligible for an exemption of 100% (one hundred percent) of the added value of the structure for two (2) years to be followed by an exemption of 50% (fifty percent) of the original added value of the structure for an additional two (2) years for a maximum exemption term of four (4) years.

Section 5: For a commercial or industrial property 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 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.

The Village Council shall establish a negotiating team for the purpose of commercial and industrial exemption applications. The team may be composed of representatives of Village Officers and Council members, the Tri-Village School District, and the Darke County Auditor' office. The membership of the team shall be determined by majority vote of Council including the number of members, the duration of terms of service, the body or interest being represented and whether external resources may be included.

The applicable commercial and industrial exemption guidelines are as follows:

- (a) Commercial or Industrial Remodeling: A commercial or industrial remodeling project that results in at least \$20,000 (twenty thousand dollars) of allowable expenses shall be eligible for an exemption of up to and including 50% (fifty percent) on the added value of the structure for a maximum of four (4) years. The specific terms of each project's exemption shall be negotiated on a case-by-case basis and committed to writing in advance of construction occurring.
- (b) Commercial or Industrial New Construction: A commercial or industrial new construction project shall be eligible for an exemption of up to an including 100% (one hundred percent) of the added value of the structure for up to and including five (5) years, to be followed by an exemption of up to and including 50% (fifty percent) of the original added value of the structure for up to and including ten (10) additional years for a maximum exemption term of fifteen (15) years. The specific terms of each project's exemption shall be negotiated on a case-by-case basis and committed to writing in advance of construction occurring.

All commercial and industrial projects that are granted an exemption under the New Madison Community Reinvestment Area Program are required to comply with the state application fee requirements of ORC Section 3735.672(C) and the local annual monitoring fee of 1% (one percent) of the amount of taxes exempted under the Agreement – a minimum of \$500 (five hundred dollars) up to a maximum of \$2500 (two thousand five hundred dollars) annually.

Section 6: Mixed-use structures where residential and commercial or industrial uses co-exist shall be considered as solely commercial or industrial uses for the purposes of determining project eligibility and negotiating any exemption, if appropriate, under the New Madison Community Reinvestment Area Program.

Section 7: For all projects, 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 8: To administer and implement the provisions of this Ordinance, the Village Council shall designate a “Housing Officer” as described in ORC Sections 3735.65 to 3735.70.

Section 9: A “Community Reinvestment Area Housing Council” is hereby created, consisting of two (2) members appointed by the Mayor of New Madison, Ohio, two (2) members appointed by the Council of New Madison, Ohio, and one (1) member appointed by the Planning Commission of the Village. The majority of the members shall then appoint two (2) additional members who shall be residents of the area. Terms of the members of the Housing Council shall be for three (3) years. An unexpired term resulting from a vacancy in the Housing Council shall be filled in the same manner as the initial appointment was made.

The Community Reinvestment Area Housing Council shall make an annual inspection of properties within the district for which an exemption has been granted under ORC Section 3735.67. The Housing Council shall also hear appeals under ORC Section 3735.70.

Section 10: A “Tax Incentive Review Council” is hereby created under the provisions of ORC Section 5709.85 for the purposes of annual reviewing all agreements granting exemptions from property taxation under the New Madison Community Reinvestment Area Program and recommending, in writing, the continuance, modification, or termination of exemptions based upon the entity’s performance and compliance with all requirements. The Tax Incentive Review Council shall consist of three (3) representatives appointed by the Darke County Commissioners, two (2) representatives of the Village of New Madison, Ohio, appointed by the Mayor with the consent of the Village Council, the Darke County Auditor (or his/her designee), and one (1) representative of the Tri-Village Local School District. At least two (2) members of the Tax Incentive Review Council shall be residents of the Village of New Madison, Ohio.

Section 11: The New Madison Community Reinvestment Area Program will terminate on December 31, 2011 unless Village Council takes appropriate steps to renew the program. If the program terminates, all existing granted residential exemptions and commercial or industrial Community Reinvestment Area Agreements will continue as intended but no new exemptions may be granted.

Section 12: The Village 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 ORC Section 121.22.

Section 13: This Ordinance shall take effect and be enforceable from and after the earliest period allowable upon meeting all ORC provisions and confirmation by the Ohio Department of Development's Director of Development, as well as confirmation by the Tri-Village School District, of the findings in this Ordinance.

Section 14: The Mayor of the Village of New Madison is hereby directed and authorized to petition the Ohio Department of Development's Director of Development to confirm the findings contained within this Ordinance.

Passed this ____ day of _____, 2007.