

ORDINANCE NO. 93-2020

AN ORDINANCE CREATING THE WAGGONER ROAD TAX INCREMENT FINANCING INCENTIVE DISTRICTS; DECLARING IMPROVEMENTS TO THE PARCELS WITHIN EACH INCENTIVE DISTRICT TO BE A PUBLIC PURPOSE AND EXEMPT FROM REAL PROPERTY TAXATION; REQUIRING THE OWNERS OF THOSE PARCELS TO MAKE SERVICE PAYMENTS IN LIEU OF TAXES; ESTABLISHING A MUNICIPAL PUBLIC IMPROVEMENT TAX INCREMENT EQUIVALENT FUND FOR THE DEPOSIT OF THOSE SERVICE PAYMENTS; AND SPECIFYING THE PUBLIC INFRASTRUCTURE IMPROVEMENTS THAT BENEFIT OR SERVE PARCELS IN THE INCENTIVE DISTRICT

WHEREAS, this Council desires to facilitate the development of a residential subdivision with approximately 354 single-family homes within the City in order to increase available housing options within the City (the "Project"); and

WHEREAS, in order to facilitate and accommodate the full development of the Project, it is necessary to construct certain public infrastructure improvements; and

WHEREAS, this Council, pursuant to ORC Sections 5709.40, 5709.42 and 5709.43 (collectively, the "TIF Act"), is authorized to declare improvements to real property to be a public purpose, exempt those improvements from real property taxation, and require owners of the real property to make service payments in lieu of taxes in an amount equal to such exempted taxes; and

WHEREAS, to facilitate the development of the Project and pay the associated costs of the necessary public infrastructure improvements from service payments in lieu of taxes, this Council has determined to create the Waggoner Road Incentive District #1, the Waggoner Incentive District #2, the Waggoner Incentive District #3, the Waggoner Incentive District #4, the Waggoner Incentive District #5 and the Waggoner Incentive District #6 (each an "Incentive District" and collectively the "Incentive Districts") pursuant to the TIF Act, the boundaries of which shall be coextensive with the boundaries of, and will include, the parcels of real property within each Incentive District specifically identified and depicted in Exhibit A attached hereto (as currently or subsequently configured, the "Parcels", with each of those parcels referred to herein individually as a "Parcel"); and

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF REYNOLDSBURG, FRANKLIN, LICKING, AND FAIRFIELD COUNTIES, OHIO:

SECTION 1. Incentive District Findings and Determinations; Creation of Incentive Districts. This Council hereby: (I) adopts the Economic Development Plan for the Incentive Districts now on file with the Clerk of the City Council, (ii) accepts and adopts the City Engineer's certification to this Council and the City Engineer's findings set forth therein (a) that the public infrastructure serving the Incentive Districts is inadequate to meet the development needs of the Incentive Districts as evidenced by the Economic Development Plan and (b) that each Incentive District is

less than 300 acres in size and enclosed by a contiguous boundary, (iii) finds and determines that the Project will place additional demand on the Public Infrastructure Improvements, including, without limitation, Waggoner Road, (iv) finds and determines that the City sent written notice of the public hearing regarding this ordinance by first class mail to each owner of real property within each proposed Incentive District at least 30 days prior to such hearing, which notice included a map of the proposed Incentive District as well as the overlay area required by ORC Section 5709.40(C)(2), (v) finds and determines that this Council has not received a request from the owner of any real property within any proposed Incentive District to exclude that owner's property from the Incentive District and (vi) finds and determines that notice of this ordinance has been delivered to the Boards of Education of Reynoldsburg City Schools and the Eastland-Fairfield Career and Technical Schools in accordance with and within the time periods prescribed in ORC Sections 5709.40 and 5709.83. This Council further finds that the sum of the taxable value of real property in the Incentive Districts for tax year 2019 and the taxable value of all real property in the City that would have been taxable in tax year 2019 were it not for the fact that the property was in an existing incentive district and therefore exempt from taxation, does not exceed twenty-five percent of the taxable value of real property within the City for tax year 2019. Pursuant to the TIF Act, this Council creates the Incentive Districts, the boundaries of which are coextensive with the boundaries of, and include, the Parcels specifically identified and depicted in Exhibit A attached hereto.

SECTION 2. Public Infrastructure Improvements. This Council designates the following public infrastructure improvements, together with any public infrastructure improvements hereafter designated by ordinance, as public infrastructure improvements made, to be made or in the process of being made by the City that benefit or serve, or that once made will benefit or serve, the Parcels in each Incentive District (the "Public Infrastructure Improvements"): roadway improvements (including, without limitation, improvements to Waggoner Road), water system improvements, sanitary sewer improvements, storm drainage improvements, pedestrian sidewalks and bike paths, street lights, gas facilities, electrical facilities, parks and recreation facilities located within one mile of any Incentive District, and all appurtenances thereto. The costs of the improvements include but are not limited to, those costs listed in ORC Section 133.15(B).

SECTION 3. Life of Incentive Districts; Authorization of Tax Exemption. The life of each Incentive District commences with the first tax year in which at least \$2,000,000 of building Improvements would first appear on the tax list and duplicate of real and public utility property for Parcels within the Incentive District were it not for the exemption granted in this ordinance and ends on the earlier of (a) 10 years after such commencement or (b) the date on which the City can no longer require service payments in lieu of taxes, all in accordance with the requirements of the TIF Act (the "Incentive District Life").

Pursuant to and in accordance with the provisions of ORC Section 5709.40(C), this Council hereby declares that the increase in assessed value of each Parcel subsequent to the effective date of this ordinance (which increase in assessed value is hereinafter referred to as the "Improvement," as defined in ORC Section 5709.40(A)) is a public purpose, with 75% of such Improvement to each Parcel exempt from taxation for the Incentive District Life for the applicable Incentive District.

SECTION 4. Service Payments and Property Tax Rollback Payments. Pursuant to ORC Section 5709.42, the owner of each Parcel is hereby required to make annual service payments in lieu of taxes with respect to the Improvement to that Parcel to the applicable county treasurer (the "County Treasurer") on or before the final dates for payment of real property taxes. Each service payment in lieu of taxes, including any penalties and interest at the then current rate established for real property taxes (collectively, the "Service Payments"), will be charged and collected in the same manner and in the same amount as the real property taxes that would have been charged and payable against the Improvement if it were not exempt from taxation pursuant to Section 3 of this ordinance. The Service Payments, and any other payments with respect to each Improvement that are received by the County Treasurer in connection with the reduction required by ORC Sections 319.302, 321.24, 323.152 and 323.156, as the same may be amended from time to time, or any successor provisions thereto as the same may be amended from time to time (the "Property Tax Rollback Payments"), will be deposited and distributed in accordance with Section 6 of this ordinance.

SECTION 5. Pursuant to ORC Section 5709.40(F)(13), this Council finds that there shall be distributed, from service payments received, to the Board of Trustees for the Township of Truro an amount equal to the amount of taxes from the increase in the effective tax rate of any renewal or replacement levy adopted on or after January 1, 2006 that would have been payable to that taxing authority to the extent the proceeds are used for the purpose of funding fire, emergency medical, and ambulance services. Such amount shall be distributed, pursuant to ORC Section 5709.42(C), by the county treasurer.

SECTION 6. TIF Fund. This Council hereby establishes the Waggoner Incentive District Municipal Public Improvement Tax Increment Equivalent Fund (the "TIF Fund"). The TIF Fund shall be maintained in the custody of the City and shall receive all distributions to be made to the City pursuant to Section 6 of this ordinance. Those Service Payments and Property Tax Rollback Payments received by the City with respect to the Improvement of each Parcel and so deposited pursuant to the TIF Act shall be used solely for the purposes authorized in the TIF Act and this ordinance (as it may be amended or supplemented). The TIF Fund shall remain in existence so long as such Service Payments and Property Tax Rollback Payments are collected and used for the aforesaid purposes, after which time the TIF Fund shall be dissolved and any incidental surplus funds remaining therein transferred to the City's General Fund, all in accordance with the TIF Act.

SECTION 7. Distribution of Funds. Pursuant to the TIF Act, during the Incentive District Life for each Incentive District, the County Treasurer is requested to distribute all Service Payments and Property Tax Rollback Payments to the City, for further deposit into the TIF Fund. The City shall use all such amounts deposited into the TIF Fund for payment of costs of the Public Infrastructure Improvements, including, without limitation, debt charges on any notes or bonds issued to pay or reimburse finance costs or costs of those Public Infrastructure Improvements. Such distributions required under this Section are requested to be made at the same time and in the same manner as real property tax distributions.

SECTION 8. Further Authorizations. This Council hereby authorizes and directs the Mayor, the City Attorney, the City Auditor, and the Development Director, or other appropriate officers of the City to deliver a copy of this ordinance to the Ohio Development Service Agency and to make

such arrangements as are necessary and proper for collection of the Service Payments. This Council further authorizes the Mayor, the City Attorney, the City Auditor and the Director of Development, or other appropriate officers of the City to prepare and sign all agreements and instruments and to take any other actions as may be appropriate to implement this ordinance.

SECTION 9. Open Meetings. This Council finds and determines that all formal actions of this Council and any of its committees concerning and relating to the passage of this ordinance were taken in an open meeting of this Council or any of its committees, and that all deliberations of this Council and any of its committees that resulted in those formal actions were in meetings open to the public, all in compliance with the law including ORC Section 121.22.

SECTION 10. Effective Date. This ordinance is effective on the earliest date permitted by law.

PASSED this 23rd day of November, 2020.

Leanora Jenkins
Leanora Jenkins, Council President

ATTEST: Mollie Prasher
Mollie Prasher, Clerk of Council

APPROVED: Joe Begony
Joe Begony, Mayor

DATE: 11/23/2020

On behalf of the state of Ohio, Franklin County, City of Reynoldsburg, I, Mollie Prasher, duly qualified Clerk of Council for the City of Reynoldsburg, do hereby certify that the foregoing are copies of the originals, now on file, and have been certified by me, and the same are a true and correct copies.

WITNESS by my signature, this 23rd day of November, 2020.

Mollie Prasher
Mollie Prasher, Clerk of Council
City of Reynoldsburg

EXHIBIT A

MAPS OF THE INCENTIVE DISTRICTS

The following parcels of real estate situated in the City of Reynoldsburg are included in each of the Incentive Districts shown on the following maps (current tax parcel 263-000174):



CITY OF REYNOLDSBURG, OHIO
ECONOMIC DEVELOPMENT PLAN
WAGGONER ROAD RESIDENTIAL INCENTIVE DISTRICTS

July 27, 2020

The Plan

The purpose of this Economic Development Plan (this “Plan”) is to satisfy the requirement of Section 5709.40(A)(5)(f) of the Ohio Revised Code, which requires that an economic development plan evidence that the public infrastructure serving proposed residential tax increment financing incentive districts is inadequate to meet the development needs of the districts. This Plan has been developed to continue the efficient and effective development of the City of Reynoldsburg, Ohio (the “City”).

Proposed Development

This Plan relates to a 354 lot residential development in the City on approximately 135 acres, approximately 40 acres of which will be set aside for open space.

The property, referred to herein as the “Waggoner Road Incentive Districts” or the “Property” is currently undeveloped – there are no buildings or structures on the Property. Creating a new, single family residential development, architecturally integrated with homes on surrounding property, will help increase property values in the area and increase housing options in the City.

The current development plan for the Property is contained in Attachment A.

Proposed Incentive District

The City is considering the creation of residential Tax Increment Financing (TIF) Incentive Districts (the “Incentive Districts”) encompassing the proposed residential development. The Incentive Districts will help to: (1) use quality architecture and design; (2) permit the development of high quality, single-unit housing; (3) enhance the City’s roadway system by providing for public infrastructure including roads, water, sewer, and storm drainage improvements, as well as sidewalks and landscaped open spaces; (4) create a neighborhood that will continue to grow over time; and (5) increase the City’s collection of income taxes and, over time, real property taxes for the City and other taxing subdivisions.

Public Infrastructure Improvements

Payments in lieu of taxes collected from the proposed Incentive Districts will fund public infrastructure improvements necessary to support the residential development, including, without limitation, the following improvements: roadway improvements (including, without limitation, improvements to Waggoner Road), water system improvements, sanitary sewer improvements, storm drainage improvements, pedestrian sidewalks and bike paths, street lights, gas facilities, electrical facilities, and all appurtenances thereto.

The public infrastructure improvements, especially to Waggoner Road, will help solve existing infrastructure needs in the City and improve the capacity of infrastructure to handle the increased demand placed on it by the development of the Property, all of which will help to attract new families to the City, increase property values and support the increase of needed housing stock.

The City will benefit as a whole from the creation of a new neighborhood of 354 single family lots and construction of the Public Infrastructure Improvements.

Analysis and Assessment

The proposed residential development described in this Plan will help the City to enhance the safety and functionality of the community's roadway system as well as play a vital role in the growth and preservation of the community through planned development.

The proposed residential development will create an urgent need for infrastructure upgrades in this area of the City. The proposed Incentive District will assist in financing public infrastructure improvements vital to the growth and development of the Property but will also aid in attracting new families, a vital factor to the overall development of the City.

This project will allow the City to upgrade its roadway system. The proposed residential development will provide desired housing for population growth and a strengthened tax base for the City.

Conclusion

Residential development has been an important catalyst to the City's economic development success, and the Property will serve as a catalyst for success in the economic development of the City. The residential development will provide the desired housing for the growing population, while the public infrastructure improvements will support the residential development, and provide for new economic development in the City. The proposed Incentive Districts are located in an area identified by the City for growth and development. This project will provide critical family housing and necessary supporting infrastructure as the City's population and commercial activity increases.

Attachments

Attachment A: Current development plans for the Districts

**CERTIFICATE OF CITY ENGINEER
PURSUANT TO OHIO REVISED CODE SECTION 5709.40(A)(5)(f)**

The developer of the Incentive Districts shown on the attached maps intends to develop a residential subdivision with approximately 354 single-family homes within the City in order to increase available housing options within the City. Each of the Incentive Districts shown on the attached maps are less than 300 acres in size and have a continuous boundary. Pursuant to Ohio Revised Code Section 5709.40(A)(5)(f), I hereby certify that the public infrastructure serving the Incentive Districts shown on the attached maps is inadequate to meet the development needs of the districts as evidenced by the development plans for the districts.



City Engineer

City of Reynoldsburg, Ohio

Attachment A



CITY OF REYNOLDSBURG, OHIO
SPRING HILL FARM DEVELOPMENT
TIF AREA EXHIBIT

SCALE: 1" = 500'



CITY OF REYNOLDSBURG, OHIO

Residential TIF Analysis

Development Buildout Assumptions and Illustrative Market Values (1)

Property Type	Construction Start Date	Construction Completion Date	Units	Illustrative Value Per Unit	Illustrative Construction Value	Illustrative Market Value (2)
Phase 1 Single Family Residential	6/1/2021	6/1/2022	59 units	\$310,000	\$18,290,000	\$18,290,000
Phase 2 Single Family Residential	6/1/2022	6/1/2023	59 units	\$310,000	18,290,000	18,290,000
Phase 3 Single Family Residential	6/1/2023	6/1/2024	59 units	\$310,000	18,290,000	18,290,000
Phase 4 Single Family Residential	6/1/2024	6/1/2025	59 units	\$310,000	18,290,000	18,290,000
Phase 5 Single Family Residential	6/1/2025	6/1/2026	59 units	\$310,000	18,290,000	18,290,000
Phase 6 Single Family Residential	6/1/2026	6/1/2027	59 units	\$310,000	18,290,000	18,290,000
Total			354 units		\$109,740,000	\$109,740,000
Total Residential Value					\$109,740,000	\$109,740,000
Total Commercial Value					-	-
Total Illustrative Value All Phases					\$109,740,000	\$109,740,000

(1) All values are illustrative. Changes to the assumptions outlined above may have a material effect on the tax increment revenue illustrations included in this analysis.

(2) Illustrative Market Value equals 100% of Illustrative Construction Value. Actual Assessed Value will be determined by the Franklin County Auditor upon completion of projects.

(Preliminary - Subject to Change)
(For Internal Use Only)

CITY OF REYNOLDSBURG, OHIO

Residential TIF Analysis

REAL PROPERTY TAX RATES (1)(2)

Taxing District	Levy Name	Res/Ag Effective Rate	Protected Millage (3)
Franklin County	GENERAL FUND	1.470000	-
	2004 CHILDREN SERVICES	1.561777	-
	2005 ZOOLOGICAL	0.619713	-
	2006 ADAMH BOARD	1.954473	-
	2008 DEVELOPMENTAL DISABILITIES	3.109389	2.632389
	2009 CHILDREN SERVICES	2.754030	-
	2012 DEVELOPMENTAL DISABILITIES	3.109389	-
	2012 OFFICE ON AGING	1.154916	-
	2017 OFFICE ON AGING	0.400878	0.400878
	2019 METRO PARK	0.947865	0.280828
Subtotal		17.082430	3.314095
Reynoldsburg CSD	GENERAL FUND	1.100000	-
	GENERAL FUND	5.300000	-
	1976 CURRENT EXPENSE	0.572791	-
	1976 CURRENT EXPENSE	0.602938	-
	1976 CURRENT EXPENSE	0.813966	-
	1976 CURRENT EXPENSE	0.844113	-
	1976 CURRENT EXPENSE	1.175729	-
	1976 CURRENT EXPENSE	1.627932	-
	1977 CURRENT EXPENSE	1.477252	-
	1985 CURRENT EXPENSE	4.374968	-
	1986 CURRENT EXPENSE	2.086317	-
	1997 CURRENT EXPENSE	4.530621	-
	2002 BOND (\$33,000,000)	3.580000	-
	2004 BOND (\$20,950,000)	3.180000	-
	2008 BOND (\$56,000,000)	4.490000	-
	2008 PERMANENT IMPROVEMENT	0.439228	-
	2010 CURRENT EXPENSE (RC 5705.212)	6.061353	-
	2011 CURRENT EXPENSE (RC 5705.212)	0.878457	-
2012 CURRENT EXPENSE (RC 5705.212)	0.878457	-	
2013 CURRENT EXPENSE (RC 5705.212)	0.878457	-	
Subtotal		44.892579	-
Eastland JVSD	1978 CURRENT EXPENSE	1.200000	-
	1998 CURRENT EXPENSE	0.800000	-
Subtotal		2.000000	-
Truro Township	GENERAL FUND	0.200000	-
	1976 FIRE	0.222766	-
	1976 FIRE	0.318238	-
	1976 FIRE	0.636476	-
	1980 FIRE	0.556809	-
	1984 FIRE	0.894068	-
	1988 FIRE	1.671192	-
	2005 FIRE & E.M.S.	1.959353	-
	2007 FIRE & E.M.S.	3.562460	0.361780
	2012 FIRE & E.M.S.	3.473398	3.473398
2016 CURRENT EXPENSE	2.226537	-	
Subtotal		15.721297	3.835178
City of Reynoldsburg	GENERAL FUND	0.150000	-
	GENERAL FUND	0.250000	-
	POLICE PENSION	0.300000	-
Subtotal		0.700000	-
Columbus-Franklin County Library District	2010 CURRENT EXPENSE	2.497902	1.748675
Subtotal		2.497902	1.748675
Total Effective Rate Collection Year 2020		82.894208	8.897948
Less: County Protected Millage		(3.314095)	
Less: Township Protected Millage		(3.835178)	
Less: Library District Protected Millage		(1.748675)	
Estimated Net Effective Rate Collection Year 2020 (3)		73.996260	

(1) Per the State of Ohio Department of Taxation, as of February 17, 2020. Represents tax year 2019, collection year 2020 information.

(2) Stated voted bond millage may expire after collection year 2020 before the full term of the illustrative TIF. Reductions in effective millage will materially impact the illustrative cash flows.

(3) Protected Millage estimated. Final tax rates, effective tax rates and protected millage are subject to final determination by the County Auditor.

CITY OF REYNOLDSBURG, OHIO

Residential TIF Analysis

ILLUSTRATIVE MARKET VALUES AND TIF SERVICE PAYMENTS
10 year - 75% TIF

Construction Completion Year	Tax Year	Collection Year	Phase 1		Phase 2		Phase 3		Phase 4		Phase 5		Phase 6		Total Residential Market Value (1)	Total Residential Assessed Value	Residential Effective Millage (2)	Exemption Amount	TIF Service Payments	
			Market Value (1)	Value (1)	Market Value (1)	Value (1)	Market Value (1)	Value (1)	Market Value (1)	Value (1)	Market Value (1)	Value (1)	Annual (3)	Cumulative						
2022	2023	2024	\$18,290,000												\$18,290,000	\$6,401,500	73.996260	75.00%	\$355,265	\$355,265
2023	2024	2025	18,290,000	\$18,290,000											36,580,000	12,803,000	73.996260	75.00%	710,531	1,065,796
2024	2025	2026	18,290,000	18,290,000	\$18,290,000										54,870,000	19,204,500	73.996260	75.00%	1,065,796	2,131,592
2025	2026	2027	18,290,000	18,290,000	18,290,000	\$18,290,000									73,160,000	25,606,000	73.996260	75.00%	1,421,061	3,552,653
2026	2027	2028	18,290,000	18,290,000	18,290,000	18,290,000	\$18,290,000								91,450,000	32,007,500	73.996260	75.00%	1,776,326	5,328,979
2027	2028	2029	18,290,000	18,290,000	18,290,000	18,290,000	18,290,000	\$18,290,000							109,740,000	38,409,000	73.996260	75.00%	2,131,592	7,460,571
2028	2029	2030	18,290,000	18,290,000	18,290,000	18,290,000	18,290,000	18,290,000	\$18,290,000						109,740,000	38,409,000	73.996260	75.00%	2,131,592	9,592,163
2029	2030	2031	18,290,000	18,290,000	18,290,000	18,290,000	18,290,000	18,290,000	18,290,000	\$18,290,000					109,740,000	38,409,000	73.996260	75.00%	2,131,592	11,723,755
2030	2031	2032	18,290,000	18,290,000	18,290,000	18,290,000	18,290,000	18,290,000	18,290,000	18,290,000	\$18,290,000				109,740,000	38,409,000	73.996260	75.00%	2,131,592	13,855,346
2031	2032	2033	18,290,000	18,290,000	18,290,000	18,290,000	18,290,000	18,290,000	18,290,000	18,290,000	18,290,000	\$18,290,000			91,450,000	32,007,500	73.996260	75.00%	2,131,592	15,986,938
2032	2033	2034		18,290,000	18,290,000	18,290,000	18,290,000	18,290,000	18,290,000	18,290,000	18,290,000	18,290,000	\$18,290,000		73,160,000	25,606,000	73.996260	75.00%	1,776,326	17,763,265
2033	2034	2035			18,290,000	18,290,000	18,290,000	18,290,000	18,290,000	18,290,000	18,290,000	18,290,000	18,290,000	\$18,290,000	54,870,000	19,204,500	73.996260	75.00%	1,421,061	19,184,326
2034	2035	2036				18,290,000	18,290,000	18,290,000	18,290,000	18,290,000	18,290,000	18,290,000	18,290,000	18,290,000	36,580,000	12,803,000	73.996260	75.00%	1,065,796	20,250,122
2035	2036	2037					18,290,000	18,290,000	18,290,000	18,290,000	18,290,000	18,290,000	18,290,000	18,290,000	18,290,000	6,401,500	73.996260	75.00%	710,531	20,960,652
2036	2037	2038						18,290,000	18,290,000	18,290,000	18,290,000	18,290,000	18,290,000	18,290,000	18,290,000	6,401,500	73.996260	75.00%	355,265	21,315,918

Total Illustrative Revenue

\$21,315,918

Net Present Value at 5.00%

\$14,620,164

(1) See page 2.

(2) See page 3.

(3) Assumes the total millage rate stays constant for the life of the Illustrative TIF after collection year 2024. Assumes six separate 10-year TIF areas starting with first collection in 2024.

(Preliminary - Subject to Change)
(For Internal Use Only)

