

ORDINANCE NO. 16-19

AN ORDINANCE CREATING THE COVINGTON DOWNTOWN REDEVELOPMENT DISTRICT, DECLARING THE IMPROVEMENT TO CERTAIN PARCELS OF REAL PROPERTY TO BE A PUBLIC PURPOSE AND EXEMPT FROM TAXATION; REQUIRING THE OWNER OF THE PARCELS TO MAKE SERVICE PAYMENTS IN LIEU OF TAXES; SPECIFYING THE PLAN FOR USING SERVICE PAYMENTS TO PROMOTE ECONOMIC DEVELOPMENT AND JOB CREATION; AUTHORIZING THE EXECUTION OF AN ECONOMIC DEVELOPMENT PLAN; ESTABLISHING THE COVINGTON DOWNTOWN REDEVELOPMENT DISTRICT FUND, FOR THE DEPOSIT OF SUCH SERVICE PAYMENTS; AND APPROVING RELATED MATTERS.

WHEREAS, Sections 5709.45 through 5709.46 of the Ohio Revised Code (collectively, the "DRD Statutes") authorize this council by ordinance, for the purposes of rehabilitation of historic buildings, creating jobs, and encouraging economic development in commercial and mixed-use commercial and residential areas to create a downtown redevelopment district, to declare improvements to parcels within the district to be public purpose and exempt from taxation, and require the owner of each parcel to make service payments in lieu of taxes, and establish a municipal downtown redevelopment district fund for the deposit of those service payments to be used to finance or support loans, deferred loans, or grants to owners of historic buildings within the downtown redevelopment district, to make contributions to a special improvement district for use under section 1710.14 of the Revised Code, to make contributions to a community improvement corporation for use under section 1724.12 of the Revised Code, or to make contributions to a nonprofit corporation as defined in section 1702.21 of the Revised Code, and to finance or support loans to owners of one or more buildings located within the district that do not qualify as historic buildings, and to finance public infrastructure improvements within the downtown redevelopment district; and

WHEREAS, the parcels of real property identified and depicted in Exhibit A attached hereto is located in the Village of Covington, Miami County, Ohio (the "Village"), and the Village has determined to declare the Improvement (as defined in Section 1 of this Ordinance) to the Parcels to be a public purpose; and

WHEREAS, the Village has determined, as depicted on the map in Exhibit A the 10-acre boundary of the Covington Downtown Redevelopment District (the "downtown redevelopment district" or "the District") include the county auditor's permanent parcel numbers associated with each parcel included in the district and the parcels, highlighted in yellow, within the district that include an historic building; and

WHEREAS, the Village has determined that the life of the downtown redevelopment districts will be no more than thirty (30) years; and

WHEREAS, the Village has developed an economic development plan for the downtown redevelopment districts, attached hereto as Exhibit B, that describes the principal purposes and

goals to be served by creating the district, that explains how the Village will collaborate with businesses and property owners within the district to develop strategies for achieving such purposes and goals, and that describes a plan for using the service payments provided for in section 5709.46 of the Revised Code to promote economic development and job creation within the district; and

WHEREAS, the Village conducted a public hearing on August 19, 2019 on this proposed ordinance and accompanying economic development plan pursuant to section 5709.45(D) of the Revised Code; and

WHEREAS, the Village has given at least 30-day notice of the public hearing and the proposed ordinance by first-class mail to every real property owner whose property is located within the boundaries of the proposed district that is subject to the proposed ordinance; and

WHEREAS, the Village has, pursuant to section 5709.45(G) of the Revised Code, provided 45-day notice to the Board of Education of the Covington Exempted Village School District (the "School District") and the Board of Education of the Upper Valley Career Center (the "JVSD") of the proposed ordinance to grant tax exemption; and

WHEREAS, the Board of Education of the School District and the Board of Education of the JVSD have adopted resolutions approving of the exemption specified in this Ordinance; and

NOW, THEREFORE, BE IT RESOLVED by the Village Council for the Village of Covington, Miami County, State of Ohio, that:

Section 1. Authorization of Tax Exemption. This Council hereby finds and determines that seventy percent (70%) of the increase in assessed value of the Parcels, located in the Downtown Redevelopment District described along with the included properties parcel numbers in "Exhibit A" attached, subsequent to the effective date of this Ordinance (which increase in assessed value is hereinafter referred to as the "Improvement" as defined in Section 5709.45(A)(4) of the Ohio Revised Code) is hereby declared to be a public purpose and shall be exempt from taxation for a period commencing with the first tax year that begins after the effective date of this Ordinance and in which an Improvement due to the construction or rehabilitation of a structure on the Parcel first appears on the tax list and duplicate of real and public utility property and ending thirty (30) years, the proposed life of the Downtown Redevelopment District, after such commencement.

Section 2. Service Payments and Property Tax Rollback Payments. Subject to any tax exemption applicable to the Improvement granted under any property tax exemption for a Parcel granted pursuant to Section 5709.45 of the Ohio Revised Code, as provided in Section 5709.46(A) requires the owner of any structure located on the parcel to make annual service payments in lieu of taxes to the Treasurer of Miami County, Ohio (the "County Treasurer") on or before the final dates for payment of real property taxes. Each such payment shall 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. If any reduction in the levies otherwise applicable to such exempt property is made by the Miami County budget commission under section 5705.31 of

the Revised Code, the amount of the service payment in lieu of taxes shall be calculated as if such reduction in levies had not been made.

Section 3. Municipal Downtown Redevelopment District Funds. Pursuant to and in accordance with the provisions of Section 5709.47 of the Ohio Revised Code, this Council establishes the Covington DRD Fund (the "Fund"). Service payments in lieu of taxes distributed to the Village under section 5709.46 of the Revised Code and redevelopment charges collected pursuant to division (M) of section 5709.45 of the Revised Code shall be deposited into each Fund. The Village hereby establishes separate accounts for the service payments and redevelopment charges designated for each such purpose as described in division (E) of section 5709.45 of the Revised Code and in the attached Economic Development Plan "Exhibit B". Money in the Fund shall be used for the purposes described in economic development plan and this ordinance and any redevelopment charge agreements. Any incidental surplus remaining in the Fund upon dissolution of the Fund shall be transferred to the general fund of the Village.

Section 4. Distribution of Service Payments and Property Tax Rollback Payments. Pursuant to the DRD Statutes, the County Treasurer is requested to distribute the Service Payments and the Property Tax Rollback Payments to the Village for deposit into the Funds to be used to pay costs described in division (E) of section 5709.45 of the Revised Code and in the attached Economic Development Plan. All distributions required under this section are to be made at the same time and in the same manner as real property tax distributions.

Section 5. Downtown Redevelopment District Financing Agreement. The Village shall enter into a Downtown Redevelopment District Financing Agreement (the "DRD Agreement") in the customary form not inconsistent with this Ordinance and not substantially adverse to the Village, with each parcel owner that is a recipient of revenue as derived in sections 5709.45 (E) (1-4) that determines the metrics and tracking of revenues derived from the DRD. Each DRD Agreement shall be approved by the Mayor, and the Village Administrator, all of whom are hereby authorized, for and in the name of the Village, to execute the DRD Agreement.

Section 6. Non-Discriminatory Hiring Policy. In accordance with Section 5709.823 of the Ohio Revised Code, this Council hereby determines that no employer located upon the Parcels shall deny any individual employment based solely on the basis of race, religion, sex, disability, color, national origin or ancestry.

Section 7. Further Authorizations. This Council hereby authorizes and directs the Mayor, and the Village Administrator, or other appropriate officers of the Village, to make such arrangements as are necessary and proper for collection of the Service Payments. This Council further hereby authorizes and directs the Mayor, and the Village Administrator, or other appropriate officers of the Village to prepare and sign all agreements and instruments and to take any other actions as may be appropriate to implement this Ordinance.

Section 8. Filings with Ohio Development Services Agency. Pursuant to Section 5709.45(K) of the Ohio Revised Code, the Clerk of this Council is hereby directed to deliver a copy of this Ordinance to the Director of the Ohio Development Services Agency within fifteen (15) days


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after its effective date. Further, and on or before March 31 of each year that the Exemption set forth in this Ordinance remains in effect, an authorized officer of the Village shall prepare and submit to the Director of Development of the State of Ohio the status report required under Ohio Revised Code Section 5709.45(K).


Section 9. Tax Incentive Review Council. The Tax Incentive Review Council established by the County shall review annually all exemptions from taxation resulting from the declarations set forth in this Ordinance and any other such matters as may properly come before that Council, all in accordance with Section 5709.85 of the Ohio Revised Code.

Section 10. Open Meetings. This Council finds and determines that all formal actions of this Village and any of its committees concerning and relating to the adoption of this Resolution were taken in an open meeting of this Council or 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 Section 121.22 of the Ohio Revised Code.

Section 11. Effective Date. This Ordinance shall be in full force and effect immediately upon its adoption.

Passed: October 7, 2019

  
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R. Scott Tobias, President of Council

Attest:   
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Brenda Carroll, Clerk of Council

Approved:   
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Edward L. McCord, Mayor