

**ORDINANCE NO. 2013 -14**

**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 CITY OF PARMA HEIGHTS, DESIGNATING A HOUSING OFFICER TO ADMINISTER THE PROGRAM, CREATING A COMMUNITY REINVESTMENT HOUSING COUNCIL AND A TAX INCENTIVE REVIEW COUNCIL, AND DECLARING AN EMERGENCY.**

**WHEREAS**, the General Assembly of the State of Ohio, by the enactment of Ohio Revised Code (“ORC”) 3735.65-70 (herein sometimes referred to as the “Community Reinvestment Area Program”) has heretofore authorized certain political subdivisions to designate Community Reinvestment Areas (“CRAs”) within the State in order to provide an incentive for residential, commercial or industrial development and/or rehabilitation in such areas, by making available real property tax exemptions for such new development or rehabilitation; and,

**WHEREAS**, the Council of the City of Parma Heights desires to pursue all reasonable and legitimate incentive measures to assist and encourage development in the City that have not enjoyed reinvestment from remodeling or new construction; and,

**WHEREAS**, by Ordinance No. 2003-30, passed September 22, 2003 (CRA #1 Ordinance), this City established a Community Reinvestment Area (the City CRA #1), under which one real property tax exemption has been granted (the Existing Exemption); and

**WHEREAS**, there has been prepared and submitted to this Council a housing survey covering a proposed CRA consisting of the entire boundaries of Parma Heights, which proposed CRA is described in Exhibit A attached hereto and made a part hereof, and is herein called the Parma Heights Community Reinvestment Area No. 2 (the City CRA #2) and which survey shows the facts and conditions relating to existing structures in the City CRA #2, including among other things evidence of deterioration and lack of new construction, or repair or rehabilitation of substantial portions of the area; and,

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

**WHEREAS**, the remodeling of existing structures or the construction of new structures in this 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 City of Parma Heights, County of Cuyahoga and State of Ohio, that:

Section 1. Based upon the aforesaid recommendations and upon said housing survey, and Council's own knowledge of the facts and conditions existing in the City CRA #2, this Council finds and determines that: The City CRA #2 constitutes an area in which housing facilities or structures of historical significance are located, and in which new housing construction and the repair of existing facilities or structures are discouraged.

Section 2. Pursuant to Section 3735.66 of the Ohio Revised Code, the City CRA #2 is hereby established and designated as a Community Reinvestment Area meeting the requirements of Ohio Revised Code Section 3735.65-3735.70, and said City CRA #2 is hereby established and designated as the entire City boundaries, as depicted in Exhibit A attached hereto.

Only residential, commercial and/or industrial properties consistent with the applicable zoning regulations within the City CRA #2 will be eligible for exemptions under this Program.

Section 3. All properties identified in Exhibit A as being within the designated Community Reinvestment Area are eligible for this incentive: new construction and remodeling of residential, commercial and/or industrial facilities. This proposal is a public/private partnership intended to promote and expand conforming uses in the designated area.

Section 4. Within the Community Reinvestment Area, the percentage of the tax exemption on the increase in the assessed valuation resulting from new construction and remodeling 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, subject to the maximum percentages and periods set forth below. The results of the negotiation as approved by 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 percentages and exemption periods. Residential applications must be filed with the Housing Officer no later than twelve (12) months after construction completion.

- a. Ten [10] years, for the remodeling of every residential dwelling containing not more than four housing units and upon which the cost of remodeling is at least \$2,500.00, as described in ORC Section 3735.67, and with such exemption being one hundred [100%] for each of the [10] ten years.
- b. Ten [10] years for the new construction of owner occupied residential dwellings containing not more than four (4) housing units, as described in ORC Section 3735.67, with such exemption being one hundred [100%] for each of the ten [10] years.

c. Up to, and including twelve [12] 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 \$5,000.00 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.

d. Up to, and including fifteen [15] years, and up to, and including one hundred percent [100%] for the construction of new commercial and industrial facilities, the term and percentage of which shall be negotiated on a case-by-case basis in advance of construction occurring.

e. 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 \$2,500 annually unless waived.

Section 5. For the purposes of this Ordinance, all residential structures composed of more than four (4) units are classified as commercial, including apartment and condominium units and townhouses.

If remodeling qualified 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, 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 of real property taxation.

Section 6. To administer and implement the provisions of the City's CRA Program in accordance with ORC 3735.65-70, the Building & Housing Coordinator, is hereby designated as the Housing Officer. The Housing Officer is authorized and directed to receive applications and grant real property tax exemptions for remodeling consistent with this Ordinance, and is further authorized and directed to make annual inspections of properties within the City CRA for which exemptions have been granted, and to keep the Housing Council and TIRC (as defined below) apprised of any revocations of CRA tax exemption made for lack of adequate property maintenance or compliance with a CRA agreement in accordance with ORC Section 3735.68.

Section 7. A Community Reinvestment Area Housing Council (the "Housing Council") shall be established, consisting of two members appointed by the Mayor of the City, two members appointed by the Council, one member appointed by the Planning Commission of the City, and two residents of the City, appointed by a majority of the first five members, which appointments are hereby authorized to be made. Terms of the members of the Housing Council shall be for three years. An unexpired term resulting from a vacancy in the Housing Council shall be filled in the same manner in which the initial appointment was made. The Mayor of the City, the City Council and Planning Commission are hereby authorized and directed to make their respective appointments to the Housing Council and those five appointed members are authorized to appoint the final two members. The Housing Council shall make an annual inspection of the properties within the CRA for which an exemption has been granted and shall

hear appeals under ORC Section 3735.70 from property owners whose CRA applications have been denied or tax exemptions revoked by the Housing Officer.

Section 8. A Tax Incentive Review Council (the "TIRC") shall be established pursuant to ORC Section 5709.85. The TIRC shall consist of three representatives appointed by the County, two representatives appointed by the Mayor of the City with concurrence of this City Council, the County Fiscal Officer (or his/her designee) and a representative of each affected board of education located in the City CRA, including any Joint Vocational School District. At least two members of the TIRC shall be residents of the City. The Tax Incentive 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 City Council as to continuing, modifying or terminating said agreement based upon the performance of the agreement.

Section 9. This City Council reserves the right to re-evaluate the designation of the City CRA after December 31, 2014 and on an annual basis thereafter, at which time this City Council may direct the Housing Officer not to accept any new applications for exemptions as described in ORC Section 3735.67, with respect to any additional construction or remodeling thereafter commenced.

Section 10. The Mayor and/or Housing Officer is hereby authorized and directed to petition the Director of Ohio Development Services Agency to confirm the findings contained within this Ordinance.

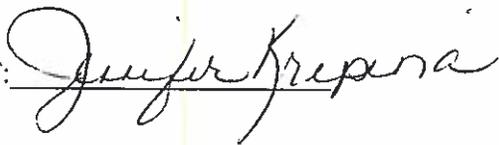
Section 11. A copy of this ordinance shall be forwarded to the Cuyahoga County Fiscal Officer; and a copy of this Ordinance shall also be published in a newspaper of general circulation in the City once a week for two consecutive weeks immediately following its passage.

Section 12. CRA #1 shall be terminated effective upon the certification of CRA #2 by the Ohio Development Services Agency, or its successor, provided that the Existing Exemption shall continue to be in effect for the period consistent with CRA #1 Ordinance.

Section 13. Council finds and determines that all formal action of this Council concerning and relating to the adoption of this Ordinance were taken in an open meeting of this Council and that all deliberations of the Council and of any of its Committees comprised of a majority of the members of the Council that resulted in those formal actions were in meetings open to the public, in compliance with the law.

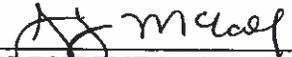
Section 14. This Ordinance is declared to be an emergency measure necessary for the immediate preservation of the public peace, health and safety of the City and for the further reason that the immediate effectiveness of this Ordinance is required in order to designate the City CRA #2 in order to induce projects to go forward that will improve its housing facilities and the economic welfare of the people; wherefore, this ordinance shall be in full force and effect from and immediately after its passage and approval by the Mayor.

PASSED: MARCH 25, 2013

ATTEST: 

FILED WITH  
THE MAYOR: MARCH 25, 2013

1<sup>st</sup> Reading February 25, 2013  
2<sup>nd</sup> Reading March 11, 2013  
3<sup>rd</sup> Reading March 25, 2013

  
PRESIDENT PRO-TEM OF COUNCIL

MARCH 25, 2013  
APPROVED

  
MAYOR