

ORDINANCE NO. 16-3506

**AN ORDINANCE AMENDING ORDINANCE NO. 08-3278 TO AMEND
THE BOUNDARIES OF THE VILLAGE OF SILVERTON
COMMERCIAL COMMUNITY REINVESTMENT AREA AND MODIFY
PROPERTY TAX EXEMPTION TERMS THEREIN, IMPLEMENTING
SECTIONS 3735.65 THROUGH 3735.70 OF THE OHIO REVISED CODE,
AND DECLARING AN EMERGENCY.**

WHEREAS, this Council of the Village of Silverton, Ohio (the "Village"), desires to pursue all reasonable and legitimate incentive measures to assist and encourage development in the Village, which has suffered from a lack reinvestment from remodeling or new construction; and

WHEREAS, this Council adopted Ordinance No. 08-3278 on December 18, 2008, establishing the Village of Silverton Commercial Community Reinvestment Area (the "Commercial CRA") and providing for certain real property tax exemptions for eligible properties therein; and

WHEREAS, this Council desires to amend the boundaries of the Commercial CRA to exclude certain parcels of real property therein, consisting of a portion of the highlighted parcels depicted red in *Exhibit A* attached hereto (the "Excluded Parcels"); and

WHEREAS, pursuant to Section 3735.66 of the Ohio Revised Code, a survey of housing has been prepared with respect to the Excluded Parcels and is set forth in *Exhibit C* attached hereto; and

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

WHEREAS, the remodeling of existing structures or the construction of new structures in the Commercial CRA constitutes a public purpose for which real property exemptions may be granted;

NOW, THEREFORE, BE IT ORDAINED BY COUNCIL OF THE VILLAGE OF SILVERTON, HAMILTON COUNTY, OHIO, THREE-FOURTHS OF THE MEMBERS ELECTED THERETO CONCURRING:

SECTION 1. The area designated as the Commercial CRA (as defined in the preambles hereto), as set forth in Ordinance No. 08-3278 (the "Original Ordinance"), is hereby amended to exclude area depicted in red in *Exhibit A*, attached hereto and incorporated herein. The amended Commercial CRA is 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 Section 3735.66 of the Ohio Revised Code, the amended boundaries of the Commercial CRA are depicted by the highlighted area set forth in *Exhibit B*, attached hereto and incorporated herein, and the classification of the structures or remodeling eligible for exemption in the Commercial CRA are consistent with the applicable zoning restrictions for the area.

SECTION 3. All sections and provisions of the Original Ordinance not specifically amended hereby shall remain in full force and effect.

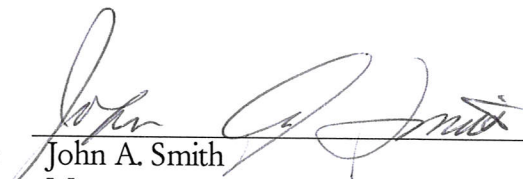
SECTION 4. That the City Manager is hereby directed and authorized to petition the Director of the Ohio Development Services Agency to confirm the amendment of the Commercial CRA and the findings in this Ordinance.

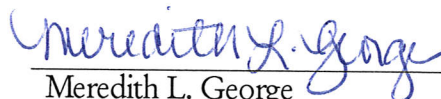
SECTION 5. That it is found and determined that all formal actions of this Council concerning and relating to the adoption of this Ordinance were adopted in an open meeting of this Council, and that all deliberations of this Council and of any of its committees that resulted in such formal action, were in meetings open to the public, in compliance with all legal requirements including Section 121.22 of the Ohio Revised Code.

SECTION 6. That this Ordinance is hereby declared to be an emergency measure necessary for the immediate preservation of the public peace, health, welfare, and safety of the inhabitants of the Village, which requires the immediate amendment of the Commercial CRA in order to facilitate economic development in the Village, all in accordance with and in furtherance of the current development plan of the Village. The Ordinance shall take effect immediately upon adoption.

ADOPTED: May 19, 2016.

CERTIFIED:

Signature: 
Printed Name: John A. Smith
Title: Mayor

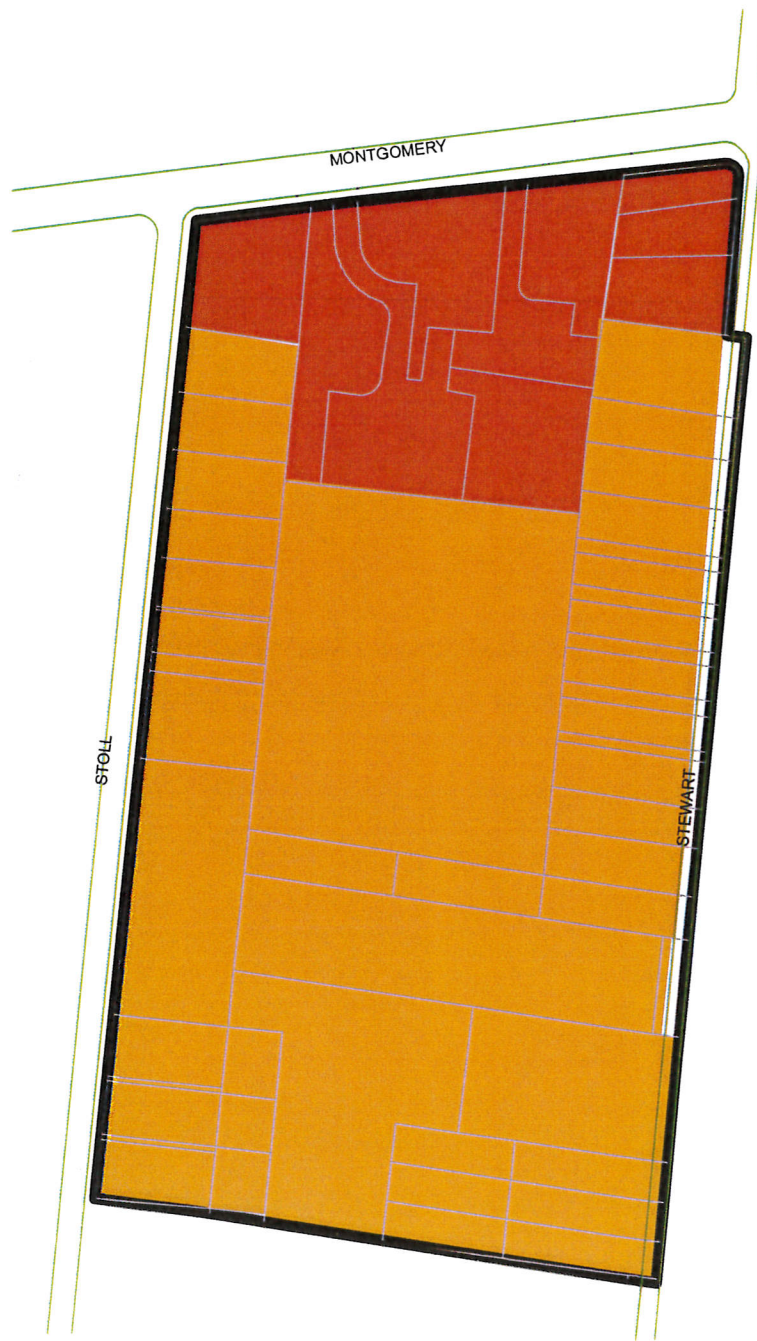
Signature: 
Printed Name: Meredith L. George
Title: Clerk of Council

Approved as to form only:




Signature: 
Printed Name: Bryan E. Pacheco
Title: Village Solicitor

Exhibit A

VILLAGE OF SILVERTON MIXED USE CRA DISTRICT



Legend

-  Commercial CRA District
-  Residential CRA District
-  Mixed Use CRA District



VILLAGE OF SILVERTON COMMERCIAL CRA DISTRICT



Legend


 Commercial CRA District



Exhibit C

Village of Silverton Community Reinvestment Area 2016 Housing Survey Background and Findings

Rationale for the Housing Survey

This Housing Survey has been undertaken as part of the documentation required to participate in the Community Reinvestment Area (CRA) program offered by the Ohio Development Services Agency (ODSA). Within CRA districts, property owners are eligible to receive tax exemption for making real property improvements.

CRAs

The CRA program permits municipalities to designate areas where investment has been discouraged as a CRA to encourage revitalization of the existing housing and building stock, and the construction of new structures. Evidence must demonstrate that there has been a disinvestment in the proposed CRA. State statute holds that a CRA can only be designated if the area in question “is one in which housing facilities or structures of historical significance are located and new housing construction and the repair of existing facilities or structures are discouraged.”

Area of Study in 2016

The Village Manager’s Office began looking at the investment levels of the eastern entrance to the Village of Silverton (west of the intersection of Stewart and Montgomery Road) in the first quarter of 2016 because this area has been identified for almost a decade as a redevelopment opportunity. For example, in 2008, the City of Silverton¹ undertook a Comprehensive Plan and contemplated the establishment of a mixed-use redevelopment zoning classification for this area. In 2009, Silverton entered into a cash-less land swap with Cincinnati Public Schools whereby the Village exchanged land inside a public park for the construction of a new Silverton Paideia School and CPS gave the Village 5.8 acres of land along Stewart Road where the old school had been since the 1950’s. In 2013, the new school was opened, and on February 6, 2015, the Village accepted the deed from CPS for the 5.8 acre former school site at 6729 Stewart Road. And in December of 2015, the Village formerly established a Planned Mixed Use Development (PMUD) District in its zoning code and officially established a PMUD district for this area on the Village’s zoning map. The PMUD zoning map amendment became effective on January 19, 2016. This zoning map is attached to this report, and the PMUD zoning regulations are available for review in the office of the Clerk of Council and on the Village of Silverton’s website at www.Silvertonohio.us.

The Village of Silverton began analyzing various economic development tools to stimulate redevelopment in this PMUD area at the beginning of 2016, including tax increment financing and CRAs. Silverton previously established two district CRAs in 2008 that together cover the entirety of the Silverton corporate limits. Attached is a map that shows the two areas: the red area is for Silverton’s commercial properties and the apricot-colored area is for Silverton’s residential CRA. Council established these two CRAs eight years ago to encourage redevelopment and renovation in Silverton, though it recognized at that time there are differing goals and objectives for residential and commercial areas in our

¹ In 2011, Silverton converted from city status to village status because the publication of the 2010 Census indicated that Silverton’s population had dropped below 5,000.

community. At that time, however, there was no contemplation of a mixture of land uses in one particular geographic area.

Methodology and Background Research

The area of this study centers on the former Silverton Paideia site which the Village took possession of in 2015. Silverton Paideia opened its new school campus on land that was part of Ficke Park in March of 2013. Then, as part of the cash-less land swap, CPS razed the former school building, removed the spoils, restored the grading on the site, and planted grass seed. This work was completed between March of 2013 and the time when CPS transferred the deed for the 5.8 acre site to the Village on February 6, 2015. The former school borders property along Stoll, Stewart and Montgomery Road which are included in this study. The boundary of Community Reinvestment Area C was thus identified because all of the properties in the area of study are adjacent to the former Silverton Paideia site.

Once the extent of the CRA districts was determined, a two-step study was undertaken. First, all the parcels within the proposed CRA district were identified and analyzed using data from the Hamilton County Auditor. Data was collected between 2008 and 2015. 2008 was selected as the first year for three reasons. First, 2008 was the year when Silverton first established its two CRAs. Studying the level of investment since 2008 allows the Village to assess the benefits these previously established programs may have had. Second, 2008 was a year in which the Hamilton County Auditor undertook a county-wide property reassessment, making 2008 an excellent starting point. Third, 2008 was the year in which the housing market crashed nationally.

After this database was created and analyzed, a comprehensive walking study and photographic documentation of the physical condition of 100% of the buildings located in the proposed CRA C was conducted. The photo documentation and physical condition survey took into account the condition of all buildings' foundations, walls, windows, doors, roofs, yards, driveways, and surface parking lots if applicable. The results of this study were presented to Village Council in an open meeting at 7 p.m. on April 21, 2016. A copy of the power point presentation made that evening is available in the office of the Clerk of Council and on the Village of Silverton's website at www.Silvertonohio.us.

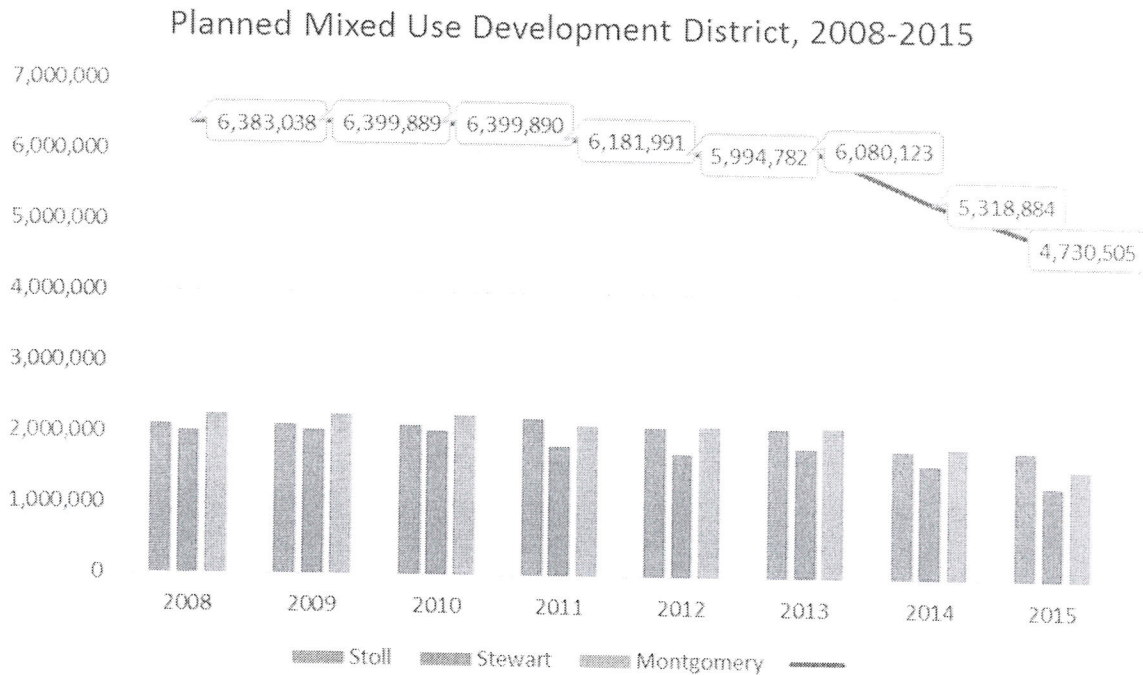
Findings

The findings of the Housing Survey confirm that the area surrounding the former Silverton Paideia school site is, in fact, experiencing significant and continuing disinvestment.

As the chart below clearly demonstrates, the area around the former school dropped from a total market value of \$6,383,083 in 2008 to a total market value of \$5,318,884 in 2014. This six year period includes three auditor reassessments: 2008, 2011, and 2014.

Thus, the area in question lost fully one-sixth of its market value in six years since 2008. Disinvestment occurred on both residential streets in the study (the odd-numbered side of Stoll and the even-numbered side of Stewart) as well as the commercial block of frontage along Montgomery Road. The data clearly indicate the area of study has experienced a significant loss of valuation even after the previous CRAs were established in 2008. Whatever investments Silverton endeavored to stimulate in 2008, the data indicate the prior

CRA's were not sufficient to stem disinvestment, maintain values, or stimulate new investment in the area of this study.



Additionally, the PMUD area which is the subject of this study compares unfavorably to the rest of the Village of Silverton as a whole between 2011 and 2014. According to a January 4, 2015 article in *The Cincinnati Enquirer* (a copy of which is available in the office of the Clerk of Council and on the Village's website at www.Silvertonohio.us), Silverton in aggregate experiences a 0.0896% increase in market valuation. This is a very modest increase, to be sure, yet Silverton was the last political subdivision or neighborhood analyzed in the article that did not experience a loss of total market valuation between 2011 and 2014. Other communities in our region lost valuation, particularly inner-ring suburbs like Silverton.

Another way to state the newspaper's finding is that Silverton as a community held its overall value in the three years between the 2011 and 2014 reassessments. However, the area of study around the school has experienced significant disinvestment in three years between 2011 and 2014 in comparison to the rest of the Silverton community. Between 2011 and 2014, the PMUD district centering on the former school lost 13.96% of its valuation, dropping from a total market value of \$6,181,991 to \$5,318,884. Thus, it is accurate to state that since 2008, the PMUD area subject to this study has experienced significant disinvestment. This disinvestment is much greater than the Silverton community as a whole, and in fact is a drag on the aggregate value of the Village of Silverton, which was overall positive over these three years.

Additionally, the photo documentation and physical conditions survey located multiple structures in the target neighborhood exhibiting signs of deterioration. The housing study presented to Village Council on April 21, 2016 includes a number of photographs about each individual property in the area of study.

The results of the housing survey fulfill the State of Ohio's requirement that the proposed CRA districts be ones where "new housing construction and the repair of existing facilities or structures are discouraged."

Proposal for the Development of Mixed Use Community Reinvestment Area

The Village administration proposes that City Council pass legislation to enact a third Community Reinvestment Area, a Mixed Use CRA. This area will be removed from the existing CRAs established in 2008, and will be coterminous with the PMUD district recently established for this area centering around the former Silverton Paideia school site.

Municipalities can designate residential, commercial, and/or industrial improvements as being eligible for tax exemption under the CRA program. The proposed Mixed-Use CRA is located in an area that has both residential and commercial land uses, and has been rezoned into a special Planned Mixed Use Development district. Residential dwelling units are eligible, so residential improvements will be eligible for tax exemption within this proposed district. Commercial uses are also eligible, so commercial improvements will also be eligible for tax exemption within this district.

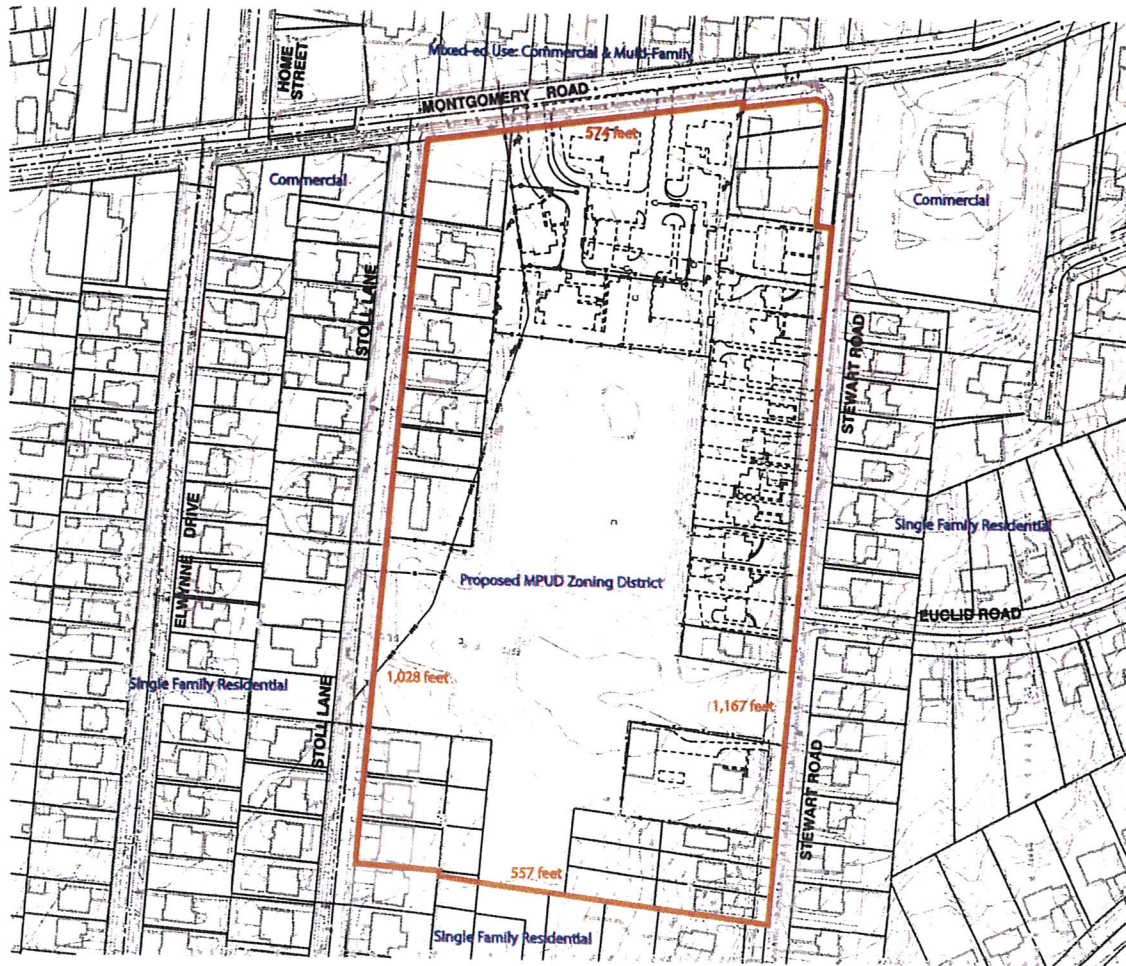
Staff proposes a tax exemption of 100% for residential property within the Mixed-Use CRA for various terms based on the type of residential remodeling. For the remodeling of residential property with one or two dwelling units, the exemption would be offered for a period of ten (10) years; for residential property with three or more dwelling units, the period would be twelve (12) years. Newly constructed residential property would be offered an exemption for a period of fifteen (15) years. The exemption is to be applied to the improved value of a property. Residential dwelling units may include single-family homes or multifamily housing permitted within the PMUD zoning district. The amount of investment necessary to qualify for the residential exemption will be the State minimums of \$2,500 for remodeling of residential property with one or two dwelling units, and \$5,000 for remodeling of residential property with three or more dwelling units. There is no minimum investment requirement for newly constructed residential property to qualify for an exemption.

Further, staff proposes a tax exemption of up to 100% for commercial or industrial property within the Mixed-Use Community Reinvestment Area for various terms based on whether the property is remodeled or newly constructed. For the remodeling of commercial or industrial property, the exemption would be offered for a period of twelve (12) years. Newly constructed commercial or industrial property would be offered an exemption for a period of fifteen (15) years. The exemption is to be applied to the improved value of the property. In either case, any commercial or industrial exemption granted within the Mixed Use Community Reinvestment Area will be negotiated on a case-by-case basis between the property owner and Village administrators, and will be subject to the approval of Council.

Cincinnati Public Schools, as the school district which overlaps the area, will be entitled to certain rights with respect to the granting of exemptions, but staff proposes, for the foreseeable future, to minimize school district involvement by utilizing less than the maximum authorized amount of exemption. For example, exemptions of 50% or less of the improved value are not subject to approval by the school district, but at a minimum, would require the Village to share a portion of the new income tax generated in the area.

It is noted that 19 single family homes and one five-unit apartment building are located within the proposed Mixed-Use Community Reinvestment Area. In addition, the proposed CRA has one commercial strip center, two occupied and one vacant single story office buildings, and one former transmission repair shop that is now a cupcake bakery and retail operation. These properties contain 25 residential dwelling units and an estimated population of 33 individuals. Three of the single family homes on Stewart Road are presently unoccupied.

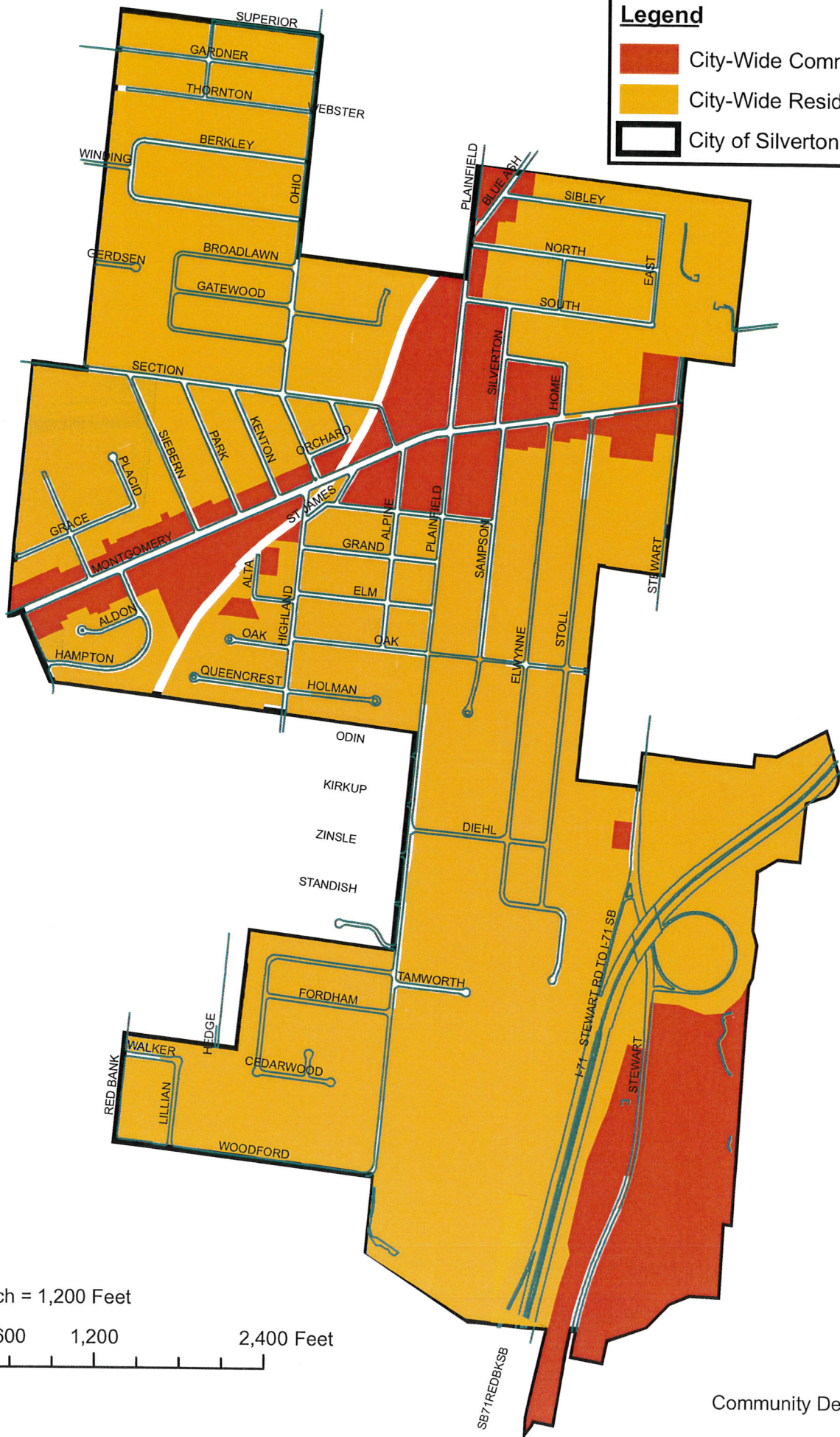
Attachments: PMUD Zoning Map
2008 CRA Map boundaries



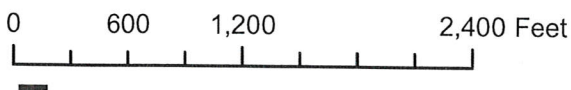
CITY OF SILVERTON, OHIO COMMUNITY REINVESTMENT AREAS

Legend

- City-Wide Commercial CRA Properties
- City-Wide Residential CRA Properties
- City of Silverton Boundary



Scale: 1 Inch = 1,200 Feet



Prepared by
The City of Silverton
Community Development Department
February 19, 1009

EXTRACT FROM MINUTES OF MEETING

The Council of the Village of Silverton, Ohio, met in Regular session, at 7:00 p..m., on the 19 day of May, 2016, at 6860 Plainfield Road, Silverton, Ohio, with the following members present:

- Mr. Sylvester
- Mrs. Williams
- Mr. Quarry
- Mrs. Thompson
- Mr. Wilson

There was presented and read to Council Ordinance No. 16-3506, entitled:

AN ORDINANCE AMENDING ORDINANCE NO. 08-3278 TO AMEND THE BOUNDARIES OF THE VILLAGE OF SILVERTON COMMERCIAL COMMUNITY REINVESTMENT AREA AND MODIFY PROPERTY TAX EXEMPTION TERMS THEREIN, IMPLEMENTING SECTIONS 3735.65 THROUGH 3735.70 OF THE OHIO REVISED CODE, AND DECLARING AN EMERGENCY.

M rs. Thompson moved to suspend the rule requiring each ordinance or resolution to be read on two different days. M r. Wilson seconded the motion and, the roll being called upon the question, the vote resulted as follows:

- Mr. Sylvester - aye
- Mrs. Williams - aye
- Mr. Quarry - aye
- Mrs. Thompson - aye
- Mr. Wilson - aye

M r. Sylvester then moved that Ordinance No. 16-3506 be adopted. Mrs. Thompson seconded the motion and, the roll being called upon the question, the vote resulted as follows:

- Mr. Sylvester - aye
- Mrs. Williams - aye
- Mr. Quarry - aye
- Mrs. Thompson - aye
- Mr. Wilson - aye

The Ordinance was declared adopted May 19, 2016.

CERTIFICATE

The undersigned, Clerk of Council of the Village of Silverton, Ohio, hereby certifies that the foregoing is a true and correct extract from the minutes of a meeting of the Council of the Village of Silverton, Ohio, held on the 19th day of May, 2016, to the extent pertinent to consideration and adoption of the above-entitled legislation.

Meredith H. Gorge
Clerk of Council, Village of Silverton, Hamilton
County, Ohio