

ORDINANCE NO. 16-3508

**AN ORDINANCE IMPLEMENTING SECTIONS 3735.65 THROUGH 3735.70 OF THE OHIO REVISED CODE, ESTABLISHING AND DESCRIBING THE BOUNDARIES OF THE MIXED-USE COMMUNITY REINVESTMENT AREA IN THE VILLAGE OF SILVERTON, 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, pursuant to Section 3735.66 of the Ohio Revised Code, a survey of housing has been prepared with respect to the proposed Village of Silverton Mixed-Use Community Reinvestment Area (the "Mixed-Use CRA") and is set forth in *Exhibit B*, attached hereto and incorporated herein; and

WHEREAS, the maintenance of existing and construction of new structures in the Mixed-Use 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 Mixed-Use 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 Mixed-Use CRA (as defined in the preambles hereto) 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 Mixed-Use CRA is hereby established in the following described area:

The boundaries of the Mixed-Use CRA are approximately as depicted on the map attached hereto as *Exhibit A* and incorporated herein by reference.

Only properties consistent with the applicable zoning regulations and variances thereto within the Mixed-Use CRA will be eligible for exemptions.

**SECTION 3.** All properties identified in red and apricot on *Exhibit A* as being within the Mixed-Use CRA are eligible for real property tax exemptions. This proposal is a public/private partnership intended to promote and expand conforming uses in the designated area. As part of the project, the Village has previously and intends to further undertake supporting public improvements in the designated area.

**SECTION 4.** Within the Mixed-Use CRA, 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 the Section 3735.67 of the Ohio Revised Code. The results of the negotiation as approved by this Council will be set in writing in a Community Reinvestment Area Agreement as outlined in Section 3735.671 of the Ohio Revised Code. For residential property, a tax exemption on the increase in the assessed valuation resulting from the improvements, as described in Section 3735.67 of the Ohio Revised Code, shall be granted upon application by the property owner and certification thereof by the designated Housing Officer for the following periods:

- (a) Ten (10) years, for the remodeling of every residential dwelling containing not more than two housing units and upon which the cost of remodeling is at least \$2,500, as described in Section 3735.67 of the Ohio Revised Code, and with such exemption being one hundred percent (100%) for each of the ten (10) years;
- (b) Twelve (12) years, for the remodeling of every residential dwelling containing more than two housing units, and upon which the cost of remodeling is at least \$5,000, as described in Section 3735.67 of the Ohio Revised Code, and with such exemption being one hundred percent (100%) for each of the twelve (12) years;
- (c) Fifteen (15) years, for the construction of every new residential dwelling, including dwellings containing multiple housing units, as described in Section 3735.67 of the Ohio Revised Code, and with such exemption being one hundred percent (100%) for each of the fifteen (15) years;
- (d) Up to twelve (12) years, and up to one hundred percent (100%), for the remodeling of every commercial or industrial structure, and upon which the cost of remodeling is at least \$5,000, as described in Section 3735.67 of the Ohio Revised Code, the term and percentage of which shall be negotiated on a case-by-case basis in advance of remodeling occurring.
- (e) Up to fifteen (15) years, and up to one hundred percent (100%), for the construction of every new commercial or industrial structure, the term and percentage of which shall be negotiated on a case-by-case basis in advance of construction occurring.

For the purposes of Sections 3735.65 through 3735.70 of the Ohio Revised Code, rental housing within the Mixed-Use CRA, including without limitation rental housing located in a structure containing multiple residential housing units, is classified as residential and is eligible for the exemptions described in subsections (a)-(c) of this Section 4.

The foregoing dwellings, housing and structures may be included in part of a larger structure containing other uses. Abatements may be claimed for, and will apply to, any portion of a structure meeting the required criteria; the entire structure does not need to be abated or qualify for abatement in order for the abatement to apply to the qualifying portions of the structure.

**SECTION 5.** All commercial and industrial projects are required to comply with the state application fee requirements of Section 3735.672(C) of the Ohio Revised Code and the local

annual monitoring fee of one percent (1%) of the amount of taxes exempted under the agreement, such amount being a minimum of \$500 up to a maximum of \$2,500 annually, unless waived.

**SECTION 6.** To administer and implement the provisions of this Ordinance, the Village Manager or the Village Manager's designee is designated as the Housing Officer, as described in Sections 3735.65 through 3735.70 of the Ohio Revised Code.

**SECTION 7.** Pursuant to Section 3735.69 of the Ohio Revised Code, there is hereby established the Mixed-Use CRA Housing Council (the "Housing Council"), consisting of two members appointed by the Mayor, two members appointed by this Council and one member appointed by the Planning Commission. The majority of the members shall then appoint two additional members who shall be residents of the Village. 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 Housing Council shall make an annual inspection of the properties within the Mixed-Use CRA for which an exemption has been granted under Section 3735.67 of the Ohio Revised Code. The Housing Council shall also hear appeals under Section 3735.70 of the Ohio Revised Code.

**SECTION 8.** In order to comply with the provisions of Section 5709.85 of the Ohio Revised Code, the Village has previously established a Tax Incentive Review Council in connection with the granting of other tax incentives authorized under the Ohio Revised Code. 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 Ohio Revised Code within the Mixed-Use CRA, and make written recommendations to this Council as to continuing, modifying or terminating any such agreement based upon the performance thereof. The Tax Incentive Review Council shall also undertake any additional duties and responsibilities set forth in Section 5709.85 of the Ohio Revised Code.

**SECTION 9.** This Council reserves the right to re-evaluate the designation of the Mixed-Use CRA after December 31, 2017, at which time the Council may direct the Housing Officer not to accept any new applications for exemptions as described in Section 3735.67 of the Ohio Revised Code.

**SECTION 10.** That the Village Manager is hereby directed and authorized to petition the Director of the Ohio Development Services Agency to confirm the findings in this Ordinance.

**SECTION 11.** 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 12.** 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 creation of the Mixed-Use 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.

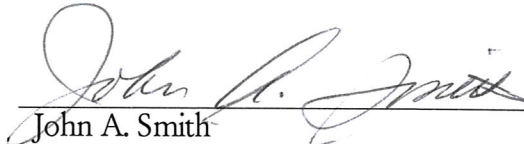
ADOPTED: May 19, 2016.

**CERTIFIED:**

Signature:

Printed Name:

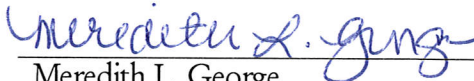
Title:

  
\_\_\_\_\_  
John A. Smith  
Mayor

Signature:

Printed Name:

Title:

  
\_\_\_\_\_  
Meredith L. George  
Clerk of Council

Approved as to form only:

Signature:

Printed Name:

Title:



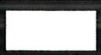
  
\_\_\_\_\_  
Bryan E. Pacheco  
Village Solicitor

Exhibit A  
2016 - 3508

# VILLAGE OF SILVERTON MIXED USE CRA DISTRICT



**Legend**

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



**Exhibit B**  
**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.

**CRA**

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 Silverton<sup>1</sup> 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](http://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

---

<sup>1</sup> 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.

there are differing goals and objectives for residential and commercial areas in our 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](http://www.Silvertonohio.us).

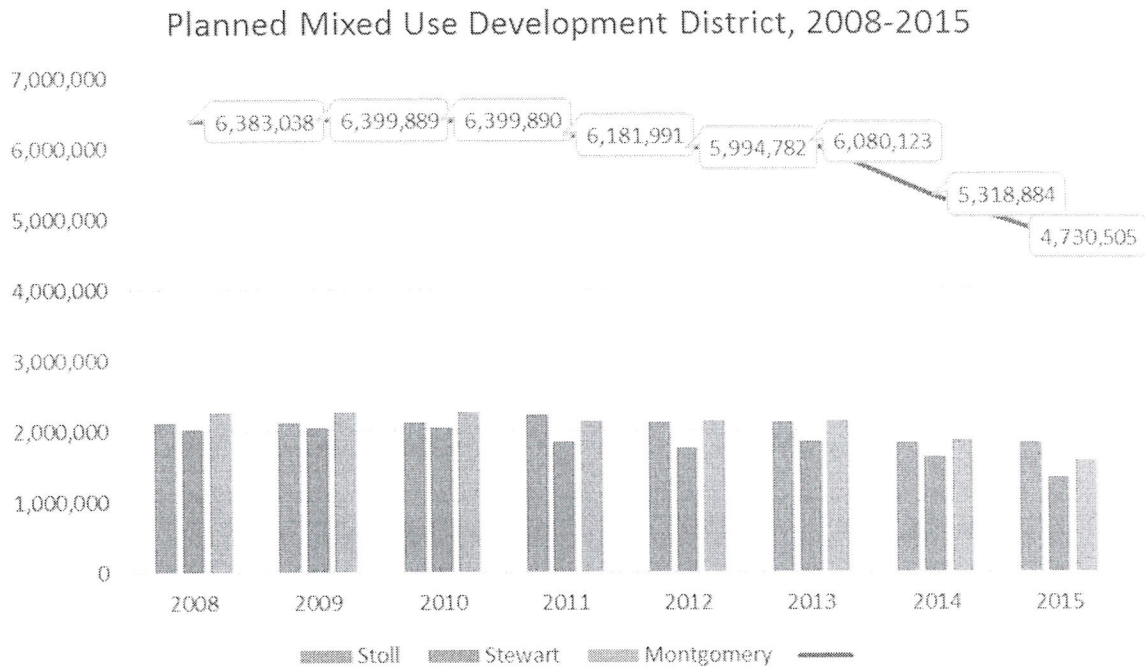
### **Findings**

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 CRAs 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](http://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.

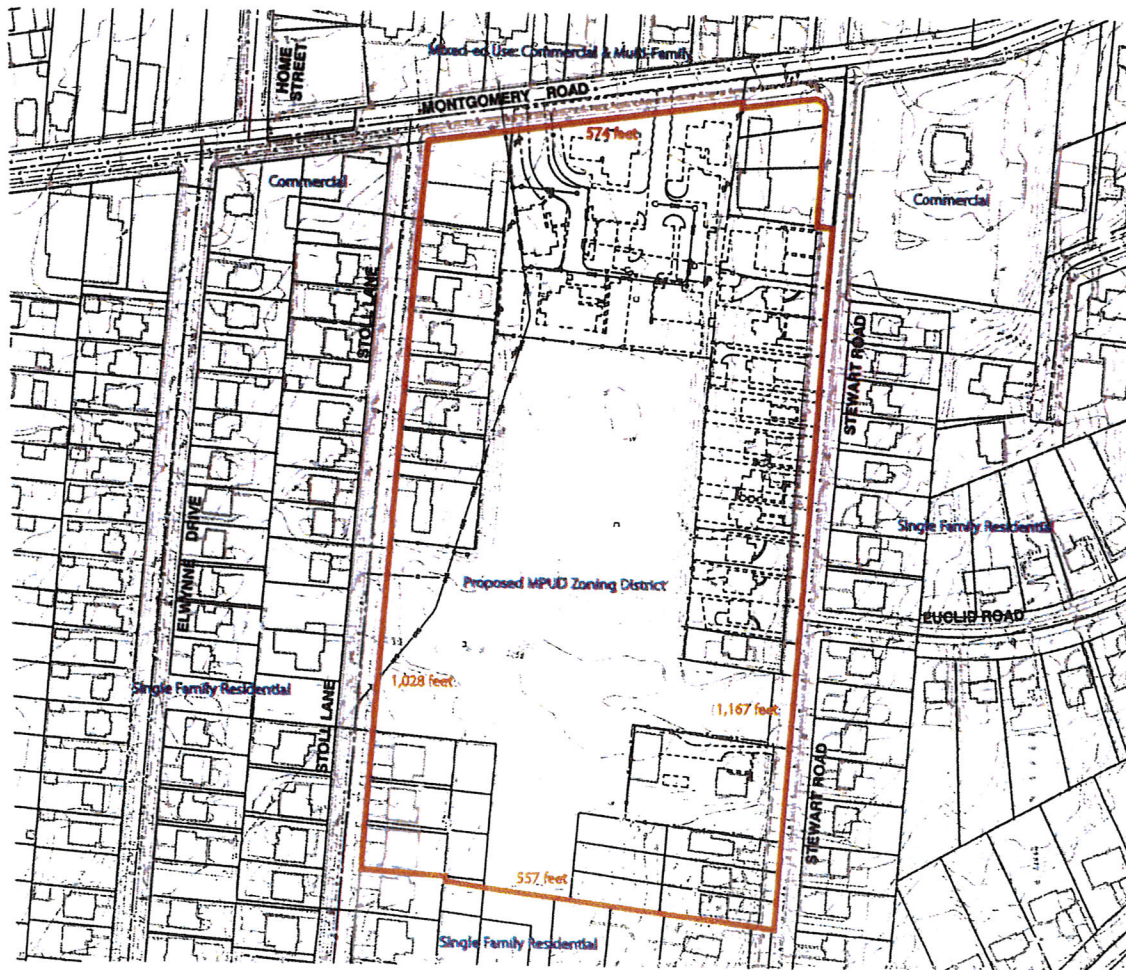
Further, staff proposes a tax exemption of up to 100% for commercial or industrial property within the Mixed-Use Community Reinvestment Area for various terms based on whether the property is remodeled or newly constructed. For the remodeling of commercial or industrial property, the exemption would 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.

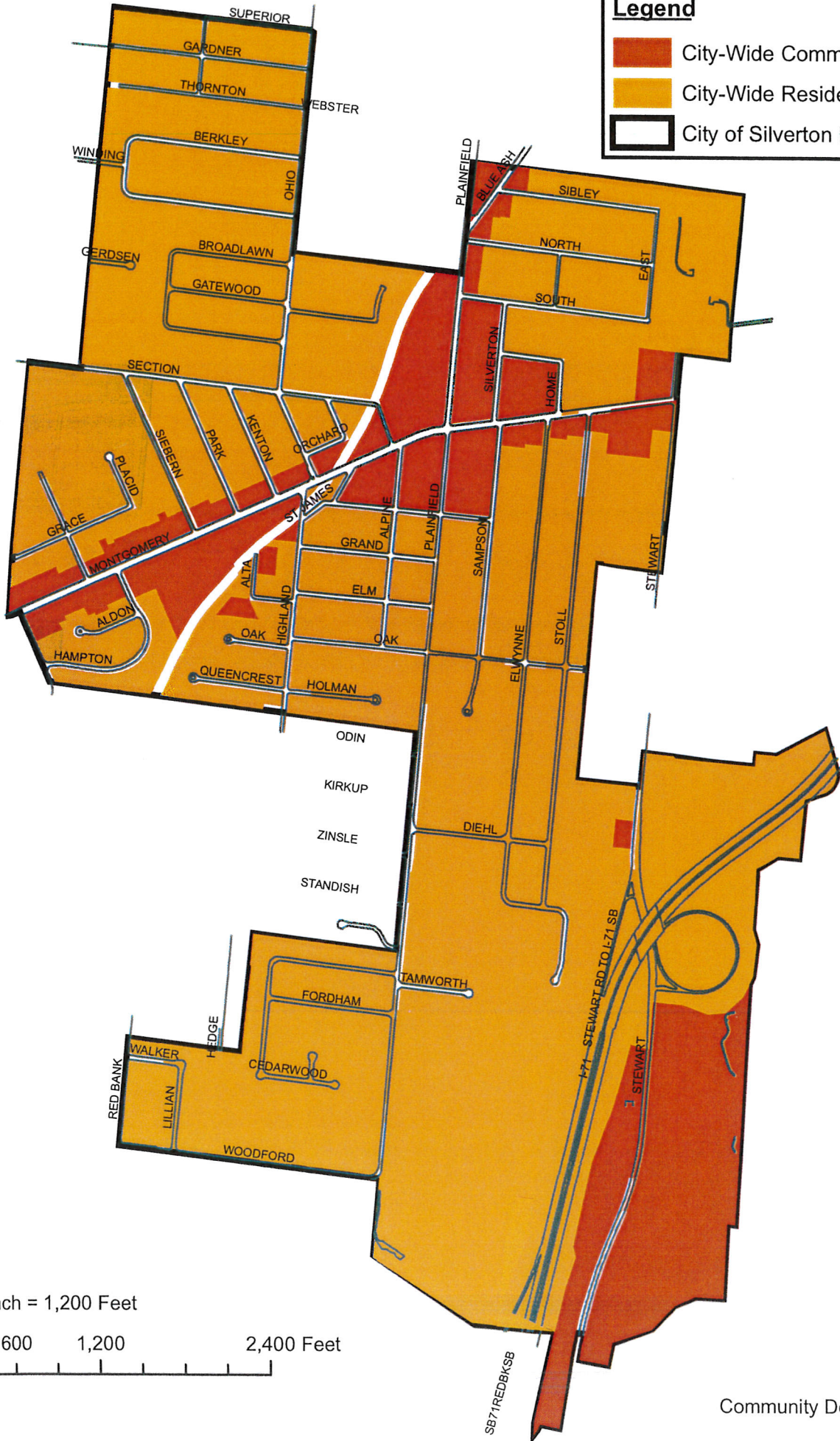
**Attachments:** PMUD Zoning Map  
2008 CRA Map boundaries



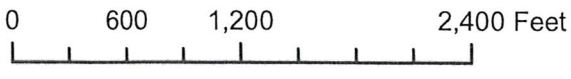
# CITY OF SILVERTON, OHIO COMMUNITY REINVESTMENT AREAS

## 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<sup>th</sup> day of May, 2016, at 6860 Plainfield Road, Silverton, Ohio, with the following members present:

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

There was presented and read to Council Ordinance No. 16-3508, entitled:

AN ORDINANCE IMPLEMENTING SECTIONS 3735.65 THROUGH 3735.70 OF THE OHIO REVISED CODE, ESTABLISHING AND DESCRIBING THE BOUNDARIES OF THE MIXED-USE COMMUNITY REINVESTMENT AREA IN THE VILLAGE OF SILVERTON, 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. Thompson - aye  
Mrs. Williams - aye                      Mr. Wilson - aye  
Mr. Quarry - aye

M r. Wilson then moved that Ordinance No. 16-3508 be adopted. Mrs. Thompson seconded the motion and, the roll being called upon the question, the vote resulted as follows:

Mr. Sylvester - aye                      Mrs. Thompson - aye  
Mrs. Williams - aye                      Mr. Wilson - aye  
Mr. Quarry - 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 19<sup>th</sup> day of May, 2016, to the extent pertinent to consideration and adoption of the above-entitled legislation.

Meredith J. Gung  
Clerk of Council, Village of Silverton, Hamilton  
County, Ohio