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ORDINANCE NO. 9-2008  
(Sponsors - Councilmembers Carlisle and Freytag)

**AMENDING SECTION 890.01 (SHELBY COMMUNITY REINVESTMENT AREA; HOUSING OFFICER; HOUSING COUNCIL; TAX INCENTIVE REVIEW COUNCIL) OF THE CODIFIED ORDINANCES OF THE CITY OF SHELBY.**

WHEREAS, the council of the City of Shelby (hereinafter "Council") desires to pursue all reasonable and legitimate incentive measures to assist and encourage development in specific areas of the City of Shelby that have not enjoyed reinvestment from remodeling or new construction, and

WHEREAS, the Community Reinvestment Housing Council has recommended to Council to include new residential construction to the City of Shelby Community Reinvestment Area Program, and

WHEREAS, a survey of housing (see Exhibit A) as required by Ohio Revised Code (ORC) Section 3735.66 has been prepared for the area to be included in the proposed Community Reinvestment Area, and

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

WHEREAS, the remodeling of existing structures and 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 FOR THE CITY OF SHELBY, OHIO, A MAJORITY ELECTED THERETO CONCURRING:

Section 1: That Section 890 01 of the Codified Ordinances of the City of Shelby be amended to read as follows:

**890.01 SHELBY COMMUNITY REINVESTMENT AREA; HOUSING OFFICER; HOUSING COUNCIL; TAX INCENTIVE REVIEW COUNCIL.**

(a) It is hereby found and determined that the Shelby Community Reinvestment Area is an area in which housing facilities are located and new housing construction and repair of existing facilities or structures are discouraged; that the Shelby Community Reinvestment Area qualifies and is hereby established and designated as a Community Reinvestment Area pursuant to and in accordance with, and meeting the requirements of, the Community Reinvestment Area Program; and that the boundaries of the Shelby Community Reinvestment Area shall be as shown and described on Exhibit A attached to original Ordinance 66-98, passed November 16, 1998 and all annexations from that date as shown on Exhibit B which is attached to this Ordinance

(b) Within the Shelby Community Reinvestment Area, the percentage of 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 Ohio R.C. 3735.67. The results of the negotiation as approved by Council will be set in writing in a Community Reinvestment Area Agreement as outlined in Ohio R.C. 3735.671. For residential property, a tax exemption on the increase in the assessed valuation resulting from improvements as described in Ohio R.C. 3735.67 shall be granted upon proper application by the property owner and certification thereof by the designated Housing Officer

for the following periods. Residential applications must be filed with the Housing Officer no later than six months after completion of construction, as follows:

(1) One Hundred Percent for the remodeling of residential structures for ten years (term the same for all) containing not more than two housing units and upon which the cost of remodeling is at least two thousand, five hundred dollars (\$2,500), as described in Ohio R.C. 3735.67;

(2) Fifty percent of the value of the new residential structures for fifteen years (term same for all) for the new construction of dwellings containing not more than two housing units, as described in Ohio R.C. 3735.67.

(3) Twelve years (negotiated - up to twelve years) for existing commercial and industrial facilities, to be negotiated on a case-by-case basis in advance of construction or remodeling occurring

(4) Fifteen years (negotiated - up to fifteen years) for new commercial or industrial facilities, to be negotiated on a case-by-case basis in advance of construction occurring

If remodeling qualifies for an exemption, during the period of the exemption, 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, during the period of the exemption the structure shall not be considered to be an improvement on the land on which it is located for the purpose of real property taxation.

(c) All commercial and industrial projects are required to comply with the State application fee requirements of Ohio R.C. 3735.672(C) and the local annual monitoring fee of one percent of the amount of taxes exempted under the agreement - a minimum of five hundred dollars (\$500.00) up to a maximum of two thousand, five hundred dollars (\$2,500) annually (the monitoring fee is a local option)

(d) To administer and implement the provisions of this Section, the Mayor or his or her designee is designated as the Housing Officer as described in Ohio R.C. 3735.70

(e) A Community Reinvestment Area Housing Council shall be established, consisting of two members appointed by the Mayor, two members appointed by Council and one member appointed by the Planning Commission. The majority of the members shall then appoint two additional members who shall be residents within the area. 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 as the initial appointment was made.

(f) A Tax Incentive Review Council shall be established pursuant to Ohio R.C. 5709.85 and shall consist of three representatives appointed by the Board of County Commissioners, two representatives of the City, appointed by the Municipal CEO with Council concurrence, the County Auditor or his or her designee and a representative of each affected Board of Education. At least two members must 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 Ohio R.C. 3735.671 and make written recommendations to Council as to continuing, modifying or terminating said agreement based upon the performance of the agreement.

(g) Council reserves the right to re-evaluate the Shelby Community Reinvestment Area after December 31, 2009, at which time Council may direct the Housing Officer not to accept any new applications for real property tax exemptions as described in Ohio R.C. 3735.67, with respect to any additional construction or rehabilitation thereafter commenced in said Shelby Community Reinvestment Area

Section 2: That all meetings and hearings concerning the adoption of this Ordinance have been in compliance with Codified Ordinance 220 01, Ohio Revised Code Section 121.22, and the Charter of the City of Shelby, Ohio.

Section 3: That this Ordinance shall be in full force and effect from and after its passage, approval by the Mayor, and the earliest period allowed by law

PASSED: May 19, 2008

William R. Freytag  
William R. Freytag  
Vice President of Council

ATTEST: Robert A. Lafferty  
Robert A. Lafferty  
Clerk of Council

R. Lee Shepherd  
R. Lee Shepherd  
Acting Mayor

Prepared by:  
R. Lee Shepherd  
R. Lee Shepherd  
Director of Law