

CITY COUNCIL AGENDA
June 15, 2020
Zoom Videoconference meeting
7:30p.m.

The council meeting will be conducted via Zoom Videoconferencing with public access through YouTube and Facebook.

- I. ROLL CALL & ORDERING OF AGENDA**
- II. APPROVAL OF MINUTES**
- III. COMMUNICATIONS FROM MAYOR/ADMINISTRATION**
- IV. PETITIONS/COMMUNICATIONS FROM PUBLIC**
- V. COMMITTEE REPORTS; PUBLIC HEARINGS**
Public Hearing -- 2021 Tax Budget
- VI. UNFINISHED BUSINESS**
 1. Third Reading -- ORDINANCE NO. 2020-17
AN ORDINANCE AUTHORIZING THE MAYOR TO ENTER INTO AN AGREEMENT WITH TIMOTHY ENTERPRISES LLC AND CALIBER HOLDINGS CORPORATION FOR COMMUNITY REINVESTMENT AREA TAX INCENTIVES, AND DECLARING AN EMERGENCY (Ansel)
 2. Second Reading -- RESOLUTION NO. 2020-25
A RESOLUTION PROVIDING FOR THE ANNUAL TAX BUDGET FOR FISCAL YEAR BEGINNING JANUARY 1, 2021 (Ansel)
 3. Second Reading -- ORDINANCE NO. 2020-20
AN ORDINANCE SUBMITTING TO THE ELECTORS OF THE CITY OF WOOSTER, OHIO, AMENDMENTS TO THE CHARTER OF THE CITY OF WOOSTER AS PROVIDED IN SECTION 8.03 "CHARTER REVIEW," AND DECLARING AN EMERGENCY (Sanders)
- VII. NEW BUSINESS**
 1. First Reading -- RESOLUTION NO. 2020-33
A RESOLUTION AUTHORIZING THE DIRECTOR OF ADMINISTRATION TO ENTER INTO AN EMERGENCY REPAIR CONTRACT FOR INFLUENT FINE SCREENS AND DECLARING AN EMERGENCY (Silvestri)
 2. First Reading -- ORDINANCE NO. 2020-21
AN ORDINANCE INSTRUCTING THE CITY ADMINISTRATION TO SUBMIT STATUTORY NOTICE OF COUNCIL'S INTENT TO ESTABLISH A TAX INCREMENTAL FINANCING DISTRICT AND ADOPT AN ECONOMIC DEVELOPMENT PLAN TO SUPPORT THE PROVISION OF A DIRECT DEVELOPMENT GRANT TO ENABLE THE CREATION OF THE MELROSE DRIVE RESIDENTIAL SUBDIVISION PROJECT, AND DECLARING AN EMERGENCY (Sanders)
- VIII. MISCELLANEOUS**
- IX. ADJOURNMENT**

ORDINANCE NO. 2020-17

AN ORDINANCE AUTHORIZING THE MAYOR TO ENTER INTO AN AGREEMENT WITH TIMOTHY ENTERPRISES LLC AND CALIBER HOLDINGS CORPORATION FOR COMMUNITY REINVESTMENT AREA TAX INCENTIVES, AND DECLARING AN EMERGENCY

WHEREAS, TIMOTHY ENTERPRISES LLC is a for-profit enterprise and property management agency which desires to construct a new 12,150 square foot automotive repair center on Akron Road, within the area designated by Wooster City Council as a community reinvestment area (CRA), including a capital investment of approximately \$1,600,000 for the new construction; and it has requested tax abatement as an incentive to make these improvements; and

WHEREAS, CALIBER HOLDINGS CORPORATION is a for-profit enterprise in the business of consumer automotive repair and desires to rent the described automotive repair center and relocate its existing operations from 1119 W. Old Lincoln Way, Wooster, Ohio 44691, also located in the CRA, and additionally create five new jobs at its new site.

WHEREAS, the Wooster Growth Corporation, as the designated community improvement corporation for the City of Wooster, has reviewed the request for CRA tax incentives and has recommended its adoption; and

WHEREAS, the Wooster City School District Board of Education has also received notice thereof, as provided by law.

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF WOOSTER, OHIO:

SECTION 1. The Mayor is hereby authorized to enter into an agreement on behalf of the City of Wooster with TIMOTHY ENTERPRISES LLC and CALIBER HOLDINGS CORPORATION for CRA tax incentives. The terms of such agreement will include, but not be limited to, the following: (1) abatement of real estate taxes of 50%; (2) for a maximum term not to exceed ten (10) years; (3) the retention of seven (7) existing jobs and the creation of five (5) full-time jobs within two (2) years; and (4) such other terms as the Mayor, in his/her discretion, deems appropriate.

SECTION 2. This Council finds and declares that all formal actions concerning and relating to the adoption of this ordinance occurred in an open meeting of this Council, in compliance with law.

SECTION 3. This Ordinance is declared to be an emergency measure necessary to the immediate preservation of the public health, peace, safety and welfare of the City, or providing for the usual daily operation of a municipal department or division, and for the further reason that prompt action is necessary in order to facilitate implementation of the construction project by Timothy Enterprises LLC and Caliber Holdings Corporation; wherefore, this Ordinance shall be in full force and effect from and immediately after its passage and approval by the Mayor; provided it receives the affirmative vote of at least three-fourths of the members of the Council; otherwise it shall take effect and be in force from and after the earliest period allowed by law.

1st reading 5-18-20 2nd reading 6-1-20 3rd reading _____

Passed: _____, 2020 Vote: _____

Attest: _____
Clerk of Council President of Council

Approved: _____, 2020
Mayor

Introduced by: Jon Ansel

Request for Agenda Item

Authorization for Bid

Purchase Capital Item

Non-Capital

Division Development	Meeting Date Requested May 18, 2020
Project Name 10-Yr, 50% CRA Request	Estimated Total Funds/Costs \$0.00
Is Full Amount Budgeted? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If YES, three readings NOT REQUIRED	
If No, How is the Purchase to be Funded? N/A - Legislation abates taxes on tertiary sector green-field project. City may forgo \$11,760 future revenues.	
Description of Request Timothy Holdings LLC (developer/landlord) and Caliber Holdings Corporation (tenant/employer) have applied for a 10-year, 50% CRA for their planned 12,150-square foot auto-body repair center on Akron Road. The project will enable room for Caliber Collision to relocate from their leased space at 1119 Old Lincoln Way (also in the CRA) and grow its operations in a larger facility with 300% more traffic volume. Staff does not typically provide a recommendation when development is scheduled to occur without subsidy, or, in the absence of reinvestment, is local population-driven with a finite market, and would provide a competitive disadvantage to other similar businesses in the CRA. For local population driven businesses, job creation is driven by the market, and growing businesses may create jobs at the expense of other similar businesses. (Six such businesses operate in Wooster today, including the applicant). It must be noted that the applicants perform an important and highly-rated service in the Wooster community that keeps the overall local primary market area strong. However, incentives would not advance meaningful economic impact. CRA treatment is DISCRETIONARY and not an entitlement.	
Justification / Benefits The Wooster Growth Corporation adopted a motion to recommend the proposal. Benefits include new building growth in the Akron Road Priority Area which will produce new revenues (anticipated in any event due to demand) for the community and short-term job opportunities associated with local building construction (Prosser Construction and Freeman Building Systems) in summer 2020.	
Will this Project affect the City's Operating Costs City may forgo \$11,760 in future revenues by abating a project determined prior to seeking CRA incentives.	
What Alternatives Exist and what are the Implications of the Alternatives Council may choose not to approve the abatement. The project is anticipated to proceed as scoped. Location and local market conditions are the most compelling factors for the development.	
Is this a Sole Source Bid or Non-Bid Situation <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes, Explain The Circumstances: N/A	
Is there a need for Suspension of the Rules or a Time Frame when this must be passed? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If Yes, Note Reasons Developer desires expedited, emergency decision. Proposal does not meet expedited criteria.	
NOTE: Emergency Clause Required if Legislative Effective Date is IMMEDIATE.	
Manager Requesting: Jonathan Millea Date: May 8, 2020	

Approved for Agenda <input type="checkbox"/> Yes <input type="checkbox"/> No

COMMUNITY REINVESTMENT AREA REQUEST SUMMARY



Prepared by the City of Wooster Department of Community Service and Development at the Request of:
Timothy Enterprises LLC & Caliber Holdings Corporation – Site: 1400-block Akron Rd., Wooster, Oh
 Application Date: 30 April 2020

Project Summary: Timothy Enterprises LLC and Caliber Holdings Corporation have applied for a 10-year, 50% real estate tax exemption through the City’s CRA program to enable the construction of a 12,150-ft automotive body repair center along Akron Road (Wayne County, Ohio Parcel 67-00283.001)

Project Site Map



67-00283.001 outlined in yellow is within the CRA. Approved final Development Plan (©SJL) superimposed.

The application was submitted with assistance from the Wooster Area Chamber of Commerce and both entities (landlord and tenant/employer) have expressed that community support is helpful. The project has previously received approval from the City’s Planning Commission, and aspires to break ground in the second quarter of 2020. The site is part of the Akron Road Priority Area.

Project Impacts: The proposed project would assist Timothy Enterprises LLC in establishing a new \$1,600,000 facility for Texas-based Caliber Holdings Corporation (unaffiliated employer/tenant), which requires new space to grow its operations. The project will result in transferring “Caliber Collision” and its 7 jobs from leased space at Chevrolet of Wooster at 1119 Old Lincoln Way W. in Wooster (also in the CRA) to the Akron Road location, where traffic counts are about 300% higher and the company will have room expand its business. (The company does not plan to relocate jobs from its Cleveland Rd site in Wayne Township.) Caliber Holdings Corporation anticipates adding 5 employees over two years to its auto-body business, which specializes in repairs for windshields, auto glass, fenders, bumpers, dents, and paint.

The \$783,292 in payroll for seven existing (including indirect labor and minimal temporary payroll), coupled with five jobs and \$125,000 in payroll, would provide a combined post-project total of 12 jobs with \$908,292 in payroll (avg. \$36.39/hr). With approval, the applicants would receive an estimated exemption of \$20,908 per year, or \$209,080 over ten years.

The application was initiated in early April with assistance from the Wooster Area Chamber of Commerce and both entities have expressed that community support is helpful. Exceeding the minimum state criteria, the proposal is eligible to be considered for discretionary CRA incentives. In the past, CRA has not been granted to “local population-driven” businesses outside of building restoration or downtown reconstruction projects. Commercial projects, when dependent on the local population, provide minimal economic impact given a finite market, and may draw job growth from existing competitors, creating a disadvantage to existing similar businesses when incentives are granted. In such instances, unlike cases where underutilized buildings are being repurposed or primary-industry jobs created, it is difficult to discern return on investment from tax incentives. It should be noted that competing businesses should be welcomed as they often have the effect of strengthening local markets with new innovations that keep the area competitive with others. Beyond existing building reinvestment projects, most local and state governments reserve tax incentives for primary-industry projects, and in all cases only when necessary. (“But For” the incentive, the project could not move forward.) New primary-industry jobs in turn increase demand and growth opportunities for local population-driven firms (economic multiplier effect).

Attachments: Original Timothy Enterprises LLC and Caliber Holdings Corporation Application.

TABLE: Project Implication Matrix

Timothy Enterprises - Caliber Holdings Corp. Akron Rd Projected Tax Impacts (Not all investments are likely to impact valuation)

Current Value ¹ 1400 Akron Rd.	Annual Tax Obligation ¹	Post Proj. Tax Value ² ~\$1,600,000 Invested	Annual Tax Oblig. w/o Abatement ²	Annual Tax Obligation with 50% Abatement	Applicant's Annual Savings ³	Total Savings after 10 Years
\$62,227	\$3,596	\$1,662,227	\$45,412	\$24,504	\$20,908	\$209,080
Timothy Enterprises & Caliber Collision	Annual City Income Tax Retention ⁴		\$11,749	Net Property Tax Gain with Abatement		\$20,908
	Annual City Income Tax Creation ⁴		\$1,875	Cumulative Net Property Tax Gain		\$209,080
	CRA Cumulative Income Tax ⁵		\$29,374.38	Post-Project Annual Property Gain ⁶		\$41,816

- The current value of \$62,227 assumes a newly created 2.7-acre lot partitioned the 5.97-acre parcel 67-00283.001, which is valued at \$137,590 based on the Wayne County Auditor's 100 percent 2019 valuation assessment. The property is not subject to CAUV and is assessed as Industrial vacant land. (4/20/2020) Property Records CAMA Database [Data file]. Retrieved from <http://www.waynecountyauditor.org/>
- All figures are estimated, with final valuation determined by the Wayne County Auditor. Assumptions figure that the full \$1,600,000 invested will be reflected in the market value of the structure upon project completion, a reasonable estimate considering similar projects in the area.
- Assuming a valuation of \$1,600,000 in new value for the building, the Applicants’ annual savings are expected to be near \$20,908 annually.
- 1.5% income tax on \$783,292 / \$125,000 in payroll for existing / future jobs. Created tax requires that no competing Wooster jobs are lost.
- Cumulative Income Tax assumes 9 full-time equivalents in year 1, 12 full-time equivalents in year 2.
- Post-Project Annual Property Gain assumes a final valuation of \$1,600,000 at the site. Assumes vacated and competitor space retains existing value.

Note: Notification to local school districts and a recommendation by the Wooster Growth Corporation are required before an application for a Community Reinvestment Area (CRA) abatement may be considered by the Wooster City Council. Community Reinvestment Area #169-86548-01 is governed by Ohio Revised Code Sections 3735.65 through 3735.70, as administered by the Ohio Development Services Agency, and City of Wooster Ordinances No. 2004-33. For questions on this application or the City of Wooster’s CRA in general, please contact the City of Wooster Development Coordinator at 330.263.5250.

**CRA Application – Timothy Enterprises LLC & Caliber Collision
Akron Road Caliber Collision Center Project
Address: 1400-Block, Akron Road, Wooster, Ohio 44691 PPN 67-00283.001
Authorized Representative: Ron Nagy and Sherry Seibert**

PROPOSED AGREEMENT for Community Reinvestment Area Tax Incentives between the City of Wooster located in the County of Wayne and Timothy Enterprises LLC (property owner) and Caliber Holdings Corporation (employer).

1. a. Name of property owner, home or main office address, contact person, and telephone number (attach additional pages if multiple enterprise participants).

<u>Timothy Enterprises</u> Enterprise Name	<u>Ron Nagy</u> Contact Person
<u>1793 N. Main St.</u> <u>Orrville, Ohio 44667</u> Address	<u>330.603.8699</u> Telephone Number
	<u>ron@nagys.com</u> Contact Email

- b. Name of employer, home or main office address, contact person, and telephone number (attach additional pages if multiple enterprise participants).

<u>Caliber Holdings Corporation</u> Enterprise Name	<u>Sherry Seibert</u> Contact Person
<u>2941 Lake Vista Dr.</u> <u>Lewisville, Texas 75067</u> Address	<u>496-948-9581</u> Telephone Number
	<u>Sherry.seibert@calibercollision.com</u> Contact Email

- c. Project site:

<u>Caliber Collision</u> Location Name	<u>Ron Nagy</u> Contact Person
<u>1471 Akron Rd, Wooster Oh</u> <u>PPN 67-00283.001</u> Address	<u>330.603.8699</u> Telephone Number
	<u>ron@nagys.com</u> Contact Email

**CRA Application – Timothy Enterprises LLC & Caliber Collision
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2. a. Nature of commercial/industrial activity (manufacturing, warehousing, wholesale or retail stores, or other) to be conducted at the site.

Commercial, automotive repair building.

- b. List primary 6 digit North American Industry Classification System (NAICS) # 811121

Business may list other relevant SIC numbers. _____

- c. If a consolidation, what are the components of the consolidation? (must itemize the location, assets, and employment positions to be transferred: N/A)

- d. Form of business of enterprise (corporation, partnership, proprietorship, or other).

Timothy Enterprises LLC - Corporation
Caliber Holdings Corporation – Corporation

3. Name of principal owner(s) or officers of the business.

Timothy Enterprises LLC - Ron Nagy & Daniel Nagy, Principal Owner
Caliber Holdings Corporation – Steven Grimshaw, CEO; Mark Sanders, President, COO;
Judd Nystrom, CFO; Greg Nichols, CAO

4. a. State the enterprise's current employment level at the proposed project site:

0 at current site, with plans to add jobs at this location over time.

- b. Will the project involve the relocation of employment positions or assets from one Ohio location to another? Yes X No .

- c. If yes, state the locations from which employment positions or assets will be relocated and the location to where the employment positions or assets will be located:

1119 Old Lincoln Way W, Wooster, OH 44691 (Current tenant space). 7 – Full-Time and 0 Part-Time jobs to be relocated.

- d. State the enterprise's current employment level in Ohio (itemized for full and part-time and permanent and temporary employees):

Full-Time: 7 (Caliber Collision.); Part-Time: 0; Permanent: 0; Temporary: 0.
Full-Time: N/A (Timothy Enterprises LLC); Part-Time: 0; Permanent: 0; Temporary: 0.

- e. State the enterprise's current employment level for each facility to be affected by the

**CRA Application – Timothy Enterprises LLC & Caliber Collision
Akron Road Caliber Collision Center Project
Address: 1400-Block, Akron Road, Wooster, Ohio 44691 PPN 67-00283.001
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relocation of employment positions or assets:

1119 Old Lincoln Way W, Wooster, OH 44691 – All employment (7 full-time jobs)
and assets to be relocated.

f. What is the projected impact of the relocation, detailing the number and type of employees and/or assets to be relocated?

1119 Old Lincoln Way W, Wooster, OH 44691 – All employment (7 full-time jobs)
and assets to be relocated.

5. Does the Property Owner owe:

a. Any delinquent taxes to the State of Ohio or a political subdivision of the state?
Yes ___ No X

b. Any moneys to the State or a state agency for the administration or enforcement of any environmental laws of the State? Yes ___ No X

c. Any other moneys to the State, a state agency or a political subdivision of the State that are past due, whether the amounts owed are being contested in a court of law or not?
Yes ___ No X

d. If yes to any of the above, please provide details of each instance including but not limited to the location, amounts and/or case identification numbers (add additional sheets).

6. Project Description: Please be as descriptive as possible, giving a summary of construction to be performed that and systems to be expanded or replaced (plumbing, HVAC, etc.) Please see attached Exhibit A for project description.

7. Project will begin May, 15, 2020, and be completed December, 31, 2020 provided a tax exemption is provided.

8. a. Estimate the number of new employees the property owner will cause to be created at the facility that is the project site (job creation projection must be itemized by the name of the employer, full and part-time and permanent and temporary):

Five full-time permanent jobs

b. State the time frame of this projected hiring: Two (2) yrs.

c. State proposed schedule for hiring (itemize by full and part-time and permanent and temporary employees):

Year 1 = 2 Permanent Full-Time Jobs and 0 Permanent Part-Time Jobs. Year 2 = 3

**CRA Application – Timothy Enterprises LLC & Caliber Collision
 Akron Road Caliber Collision Center Project
 Address: 1400-Block, Akron Road, Wooster, Ohio 44691 PPN 67-00283.001
 Authorized Representative: Ron Nagy and Sherry Seibert**

Permanent Full-Time Jobs and 0 Permanent Part-Time Jobs.

9. a. Estimate the amount of annual payroll such new employees will add 7 existing jobs = Indirect Labor \$281,321 ,Temp Labor \$30,433, Direct Labor \$471,538. Total \$783,292. 5 new jobs = \$125,000 – Permanent Full-Time. Total \$908,292. (new annual payroll must be itemized by full and part-time and permanent and temporary new employees).
- b. Indicate separately the amount of existing annual payroll relating to any job retention claim resulting from the project: \$ N/A – New for to project site, existing in City. .
10. An estimate of the amount to be invested by the enterprise to establish, expand, renovate or occupy a facility:
- | | |
|--|----------------------------|
| A. Acquisition of Buildings: | \$ <u>175,000</u> |
| B. Additions/New Construction: | \$ <u>1,600,000</u> |
| C. Improvements to existing buildings: | \$ _____ |
| D. Machinery & Equipment: | \$ _____ |
| E. Furniture & Fixtures: | \$ _____ |
| F. Inventory: | \$ _____ |
| Total New Project Investment: | \$ <u>1,775,000</u> |
11. a. Business requests the following tax exemption incentives: 50% for ten (10) years covering \$1,600,000 of real property as described above. Be specific as to the rate, and term.

b. Business’s reasons for requesting tax incentives:

Please be as descriptive as possible and explain how providing these incentives to this project will benefit the community, as opposed to no assistance being offered. This is a significant investment at a time of uncertainty and difficulty, and the benefit from the CRA program will assist us in moving forward. Additionally, the architectural and design requirements of the area are higher than neighboring communities, which make development costs higher overall. The CRA program will assist in controlling costs and justifying the project moving forward at the proposed site.

Submission of this application expressly authorizes City of Wooster to contact the Ohio Environmental Protection Agency to confirm statements contained within this application including item # 5 and to review applicable confidential records. As part of this application, the property owner may also be required to directly request from the Ohio Department of Taxation, or complete a waiver form allowing the Department of Taxation to release specific tax records to the local jurisdiction considering the request.

The Applicant agrees to supply additional information upon request.

The Applicant affirmatively covenants that the information contained in and submitted with this

This CRA Application form contains all text as listed on the Ohio Development Services Agency Business Application for Community Reinvestment Tax Incentives posted 14 July, 2015, at http://development.ohio.gov/bs/bs_comreinvest.htm, and was provided to Applicant by the City of Wooster, with adjustments made for spacing and formatting for improved clarity.

application is complete and correct and is aware of the ORC Sections 9.66(C) (1) and 2921.13(D) (1) penalties for falsification which could result in the forfeiture of all current and future economic development assistance benefits as well as a fine of not more than \$1,000 and/or a term of imprisonment of not more than six months.

Ron Nagy

Name of Property Owner

4-30-2020

Date

Signature

Member

Typed Name and Title

Caliber Holdings Corporation

Name of Employer

4-27-2020

Date

Signature

Greg Nichols, CAO

Typed Name and Title

* A copy of this proposal must be forwarded by the local governments to the affected Board of Education along with notice of the meeting date on which the local government will review the proposal. Notice must be given a minimum of fourteen (14) days prior to the scheduled meeting to permit the Board of Education to appear and/or comment before the legislative authorities considering the request.

** Attach to Final Community Reinvestment Area Agreement as Exhibit A

Please note that copies of this proposal must be included in the finalized Community Reinvestment Area Agreement and be forwarded to the Ohio Department of Taxation and the Ohio Development Services Agency within fifteen (15) days of final approval.

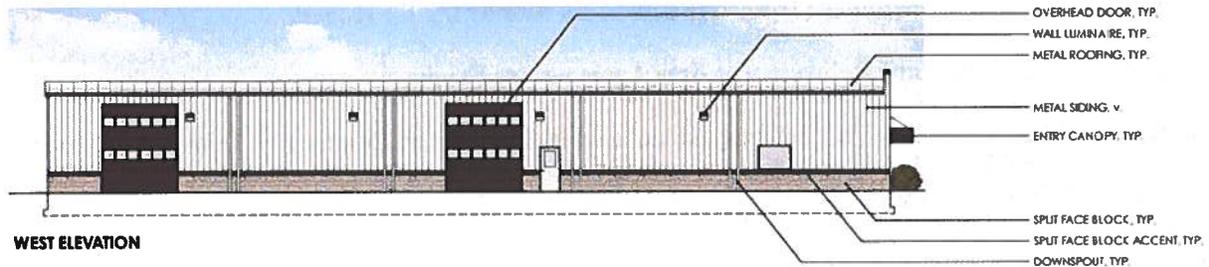
CRA Application – Company Name
Project Name
Project Address
Authorized Representative: Representative Name

#6 Project Description:

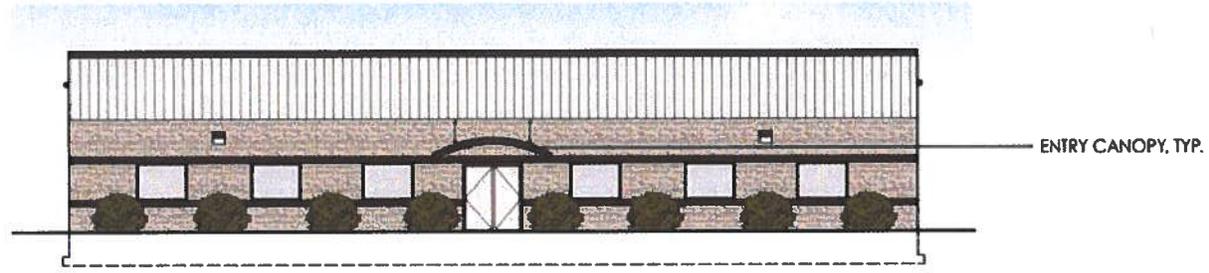
The project includes the construction of a 12,150 square foot automotive repair facility located on a newly created lot on Akron Road (PPN#67-00283.001). NOTE: This site was purchased and drawings developed with the recognition that the site was within the Wooster Community Reinvestment Area program and that our proposed investment levels far exceed the requirements of the program.

We would like to break ground in the month of May (2020), with plans to be operational by the end of the year. The project will include employment, with at least ten (10) new full time jobs at the site. We are currently going through planning commission approval with hopes to be supported by a CRA tax incentive as well. The site incorporates one access point off of Akron Road and is configured with parking in the front and the building to the rear.

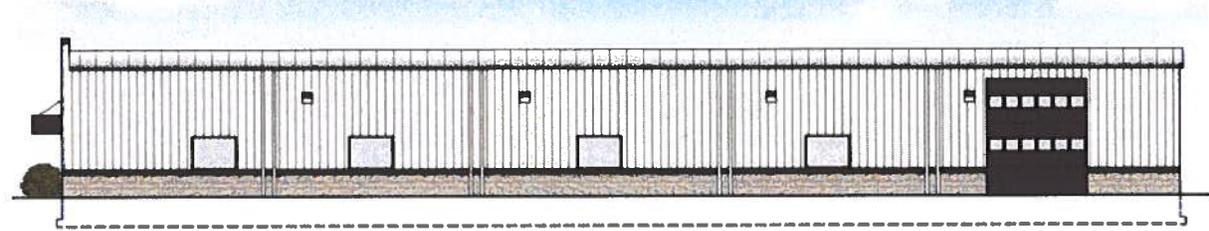
Project photos listed below:



WEST ELEVATION

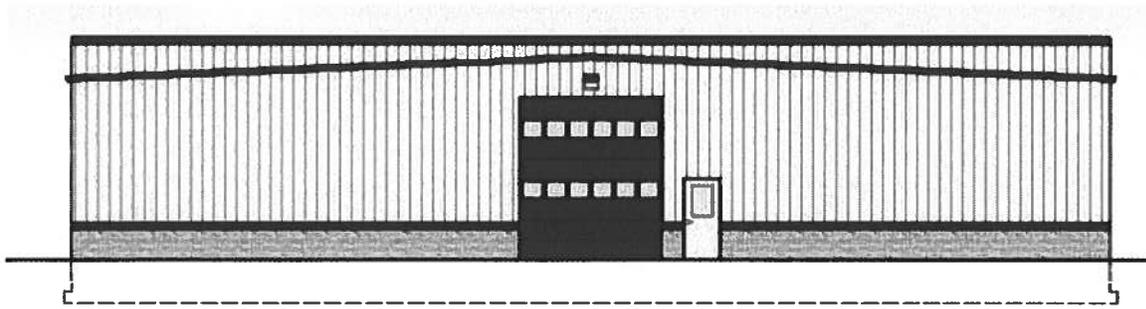


SOUTH ELEVATION

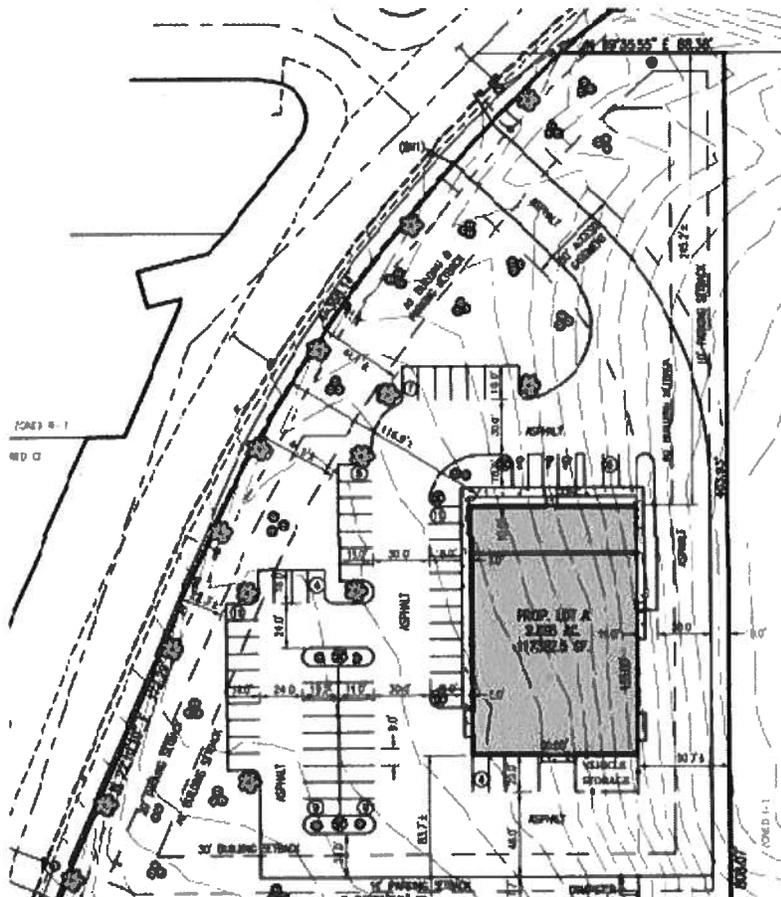


EAST ELEVATION

CRA Application – Company Name
Project Name
Project Address
Authorized Representative: Representative Name



NORTH ELEVATION



RESOLUTION NO. 2020-25

A RESOLUTION PROVIDING FOR THE ANNUAL TAX BUDGET FOR FISCAL YEAR BEGINNING JANUARY 1, 2021

WHEREAS, pursuant to the Ohio Revised Code Section 5705.28, the City of Wooster is required to adopt an annual tax budget for the next succeeding fiscal year on or before July 15, 2020; and

WHEREAS, pursuant to the Ohio Revised Code, the annual tax budget must be filed with the Wayne County Auditor on or before July 20, 2020.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF WOOSTER, OHIO:

SECTION 1. The annual tax budget of the City of Wooster, Ohio, for the fiscal year beginning January 1, 2021, as set forth in "Exhibit A" attached hereto and incorporated herein by reference, detailing the nature and amounts of funds needed by the City of Wooster, is hereby adopted.

SECTION 2. The Director of Finance be and is hereby authorized and directed to certify said annual tax budget to the Auditor of Wayne County, Ohio.

SECTION 3. This Council finds and declares that all formal actions concerning and relating to the adoption of this Resolution occurred in an open meeting of this Council or its committees, in compliance with law.

SECTION 4. This Resolution shall take effect and be in full force from and after the earliest date allowed by law.

1st reading 6-1-2020 2nd reading _____ 3rd reading _____

Passed: _____, 2020 Vote: _____

Attest: _____
Clerk of Council President of Council

Approved: _____, 2020
Mayor

Introduced by: Jon Ansel

Exhibit A - Resolution 2020 - 25

City of Wooster
Wayne County, Ohio
June 01, 2020

This Budget must be adopted by the Council or other legislative body on or before July 15th, and two copies must be submitted to the County Auditor on or before July 20th. FAILURE TO COMPLY WITH SEC. 5705.28 R.C. SHALL RESULT IN LOSS OF LOCAL GOVERNMENT FUND ALLOCATION.

To Auditor of said County:

The following Budget year beginning January 1, 2021, has been adopted by Council and is herewith submitted for consideration of the County Budget Commission.

Signed: _____

Andrei A. Dordea

Title: Director of Finance

SCHEDULE A

SUMMARY OF AMOUNTS REQUIRED FROM GENERAL PROPERTY TAX APPROVED BY BUDGET COMMISSION, AND COUNTY AUDITOR'S ESTIMATED RATES

For Municipal Use		For Budget Commission Use		For County Auditor Use	
FUND <small>(Include only those funds which are requesting general property tax revenue)</small>	Budget Year Amount Requested of Budget Commission Inside/Outside	Budget Year Amount Approved by Budget Commission Inside 10 Mill Limitation	Budget Year Amount to be Derived From Levies Outside 10 Mill Limitation	County Auditor's Estimate of Tax Rate to be Levied	
				Inside 10 Mill Limit Budget Year	Outside 10 Mill Limit Budget Year
	Column 1	Column 2	Column 3	Column 4	Column 5
GOVERNMENT FUNDS					
GENERAL FUND - 001	\$ 2,120,994				
PROPRIETARY FUNDS					
POLICE PENSION - 111	177,388				
FIRE PENSION - 112	177,388				
FIDUCIARY FUNDS					
TOTAL ALL FUNDS	\$ 2,475,770				

This Exhibit is to be used for the General Fund Only

DESCRIPTION (1)	For 2018 Actual (2)	For 2019 Actual (3)	Current Year Budget For 2020 (4)	Budget Year Estimate for 2021 (5)
REVENUES				
Local Taxes				
General Property Tax - Real Estate	\$ 1,982,729	\$ 2,059,864	\$ 2,120,994	\$ 2,120,994
Tangible Personal Property Tax	47	-	-	-
Municipal Income Tax	18,834,896	19,884,691	18,047,936	18,950,333
Other Local Taxes	142,499	136,231	98,000	140,000
Total Local Taxes	20,960,171	22,080,786	20,266,930	21,211,327
Intergovernmental Revenues				
State Shared Taxes And Permits				
Local Government	641,851	617,563	650,000	650,000
Local Government State	-	47,627	102,000	102,000
Estate Tax	53,600	52,314	-	-
Cigarette Tax	1,121	1,202	1,200	1,200
Liquor and Beer Permits	41,940	40,487	40,000	40,000
Total State Shared Taxes & Perm	738,512	759,193	793,200	793,200
Federal Grants or Aid	631	-	-	-
State Grants or Aid	9,049	6,872	-	-
Other Grants or Aid	19,604	23,998	-	-
Total Intergovernmental Revenues	767,795	790,063	793,200	793,200
Special Assessments	-	-	-	-
Charges for Services	1,497,311	1,545,973	1,488,000	1,488,000
Fines, Licenses, and Permits	759,573	666,737	581,000	581,000
Miscellaneous	575,843	797,007	610,407	610,407
Other Financing Sources:				
Proceeds from Sale of Debt	-	-	-	-
Transfers	-	-	-	-
Advances	-	-	-	-
Other Sources	2,084,042	1,872,000	1,800,000	1,800,000
TOTAL REVENUE	\$ 26,644,735	\$ 27,752,566	\$ 25,539,537	\$ 26,483,934

This Exhibit is to be used for the General Fund Only

DESCRIPTION (1)	For 2018 Actual (2)	For 2019 Actual (3)	Current Year Budget For 2020 (4)	Budget Year Estimate for 2021 (5)
EXPENDITURES				
Security of Persons and Property				
Personal Services	\$ 10,740,441	\$ 11,520,184	\$ 11,700,000	\$ 11,934,000
Operations and Maintenance	1,881,933	1,831,245	1,912,973	1,951,232
Capital Outlay	-	-	-	-
Total Security of Persons and Property	12,622,374	13,351,429	13,612,973	13,885,232
Public Health Services				
Operations and Maintenance	127,747	132,820	132,000	135,300
Total Public Health Services	127,747	132,820	132,000	135,300
Leisure Time Activities				
Personal Services	797,752	677,100	900,000	918,000
Operations and Maintenance	1,135,266	1,074,767	1,030,000	1,055,750
Capital Outlay	-	-	-	-
Total Leisure Time Activities	1,933,018	1,751,868	1,930,000	1,973,750
Community Environment				
Personal Services	777,381	837,251	860,000	877,200
Operations and Maintenance	185,031	196,446	250,000	256,250
Capital Outlay	-	-	-	-
Total Community Environment	962,412	1,033,697	1,110,000	1,133,450
Basic Utility Services				
Personal Services	-	-	-	-
Operations and Maintenance	-	-	-	-
Capital Outlay	-	-	-	-
Total Basic Utility Services	-	-	-	-
Transportation				
Personal Services	692,606	688,997	800,000	816,000
Operations and Maintenance	505,516	617,119	543,000	600,000
Capital Outlay	-	-	-	-
Total Transportations	1,198,123	1,306,116	1,343,000	1,416,000
General Government				
Personal Services	2,531,452	2,683,334	2,800,000	2,856,000
Operations and Maintenance	1,579,522	1,544,184	1,560,000	1,599,000
Capital Outlay	-	-	-	-
Total General Government	4,110,974	4,227,518	4,360,000	4,455,000
Debt Service				
Redemption Principal	435,000	305,000	270,000	280,000
Interest	174,223	164,510	78,117	150,000
Other Debt Service	-	-	-	-
Total Debt Service	609,223	469,510	348,117	430,000
Other Uses of Funds				
Transfers	4,162,798	4,781,250	4,000,000	4,000,000
Other Uses of Funds	-	-	-	-
Total Other Use Funds	4,162,798	4,781,250	4,000,000	4,000,000
TOTAL EXPENDITURES	\$ 25,726,668	\$ 27,054,207	\$ 26,836,090	\$ 27,428,732
Revenues over/(under) Expenditures	\$ 918,067	\$ 698,358	\$ (1,296,553)	\$ (944,798)
Beginning Unencumbered Balance	14,978,547	15,896,614	16,594,972	15,298,419
Ending Cash Fund Balance	15,896,614	16,594,972	15,298,419	14,353,621
Estimated Encumbrances (outstanding at year end)	2,167,992	2,295,551	2,364,418	2,435,350
Estimated Ending Unencumbered Fund Balance	\$ 13,728,622	\$ 14,299,421	\$ 12,934,002	\$ 11,918,271

FUND NAME: POLICE PENSION FUND - 111

FUND TYPE/CLASSIFICATION: GOVERNMENTAL - SPECIAL REVENUE

To be used for any fund receiving property tax revenue except the General Fund.

DESCRIPTION (1)	For 2018 Actual (2)	For 2019 Actual (3)	Current Year Budget For 2020 (4)	Budget Year Estimate for 2021 (5)
REVENUE				
Local Taxes				
General Property - Real Estate	\$ 164,892	\$ 173,052	\$ 177,388	\$ 177,388
Tangible Personal Property	4	-	-	-
Miscellaneous	1,392	2,288	930	650
TOTAL REVENUE	166,288	175,340	178,318	178,038
EXPENDITURES (PROGRAM) (OBJECT)				
Security of Persons and Property				
Personal Services	160,000	167,000	180,000	190,000
Contractual Services	2,579	2,783	3,000	3,000
TOTAL EXPENDITURES	\$ 162,579	\$ 169,783	\$ 183,000	\$ 193,000
Revenue Over (Under) Expenditures	\$ 3,709	\$ 5,557	\$ (4,682)	\$ (14,962)
Beginning Unencumbered Fund Balance	21,477	25,186	30,743	26,061
Ending Cash Fund Balance	25,186	30,743	26,061	11,099
Estimated Encumbrances (outstanding at end of year)	-	-	-	-
Estimated Ending Unencumbered Fund Balance	\$ 25,186	\$ 30,743	\$ 26,061	\$ 11,099

FUND NAME: FIRE PENSION FUND - 112

FUND TYPE/CLASSIFICATION: GOVERNMENTAL - SPECIAL REVENUE

To be used for any fund receiving property tax revenue except the General Fund.

DESCRIPTION (1)	For 2018 Actual (2)	For 2019 Actual (3)	Current Year Budget For 2020 (4)	Budget Year Estimate for 2021 (5)
REVENUE				
Local Taxes				
General Property - Real Estate	\$ 164,892	\$ 172,975	\$ 177,388	\$ 177,388
Tangible Personal Property	4	-	-	-
Miscellaneous	1,347	2,323	951	650
TOTAL REVENUE	166,243	175,298	178,339	178,038
EXPENDITURES (PROGRAM) (OBJECT)				
Security of Persons and Property				
Personal Services	160,000	167,000	180,000	190,000
Contractual Services	2,579	2,783	3,000	3,000
TOTAL EXPENDITURES	\$ 162,579	\$ 169,783	\$ 183,000	\$ 193,000
Revenue Over (Under) Expenditures	\$ 3,664	\$ 5,515	\$ (4,661)	\$ (14,962)
Beginning Unencumbered Fund Balance	22,963	26,627	32,142	27,481
Ending Cash Fund Balance	26,627	32,142	27,481	12,519
Estimated Encumbrances (outstanding at end of year)	-	-	-	-
Estimated Ending Unencumbered Fund Balance	\$ 26,627	\$ 32,142	\$ 27,481	\$ 12,519

FUND	Estimated Unencumbered Fund Balance 1/1/2021	Budget Year Estimated Receipt	Total Available For Expenditures	Budget Year Expenditures and Encumbrances			Estimated Unencumbered Balance 12/31/2021
				Personal Services	Other	Total	
GOVERNMENTAL:							
SPECIAL REVENUE							
Street Const. Maint. & Repair - 101	\$ 166,336	\$ 1,380,600	\$ 1,546,936	\$ -	\$ 1,500,000	\$ 1,500,000	\$ 46,936
State Highway - 102	134,345	110,802	245,147	-	200,000	200,000	45,147
Permissive Tax - 103	26,186	260,000	286,186	-	225,000	225,000	61,186
Enforcement & Education - 104	76,078	1,500	77,578	-	65,000	65,000	12,578
Mandatory Drug Fines - 105	34,334	9,000	43,334	-	35,000	35,000	8,334
Community Development Block Grant - 107	49,267	500,000	549,267	-	500,000	500,000	49,267
Economic Development - 108	83,686	153,600	237,286	-	224,000	224,000	13,286
Law Enforcement Trust - 110	45,236	600	45,836	-	20,000	20,000	25,836
Federal Equitable Sharing Fund - 113	9,962	100	10,062	-	9,000	9,000	1,062
CDBG Chip Home RLF Fund - 115	39,756	1,200	40,956	-	40,000	40,000	956
CDBG Econ. Dev. Loan - 118	2,544	75	2,619	-	2,500	2,500	119
Law Enforcement Training Fund - 120	4,082	40	4,122	-	4,100	4,100	22
Recreation Supplement - 122	7,703	70	7,773	-	7,500	7,500	273
Park Reforestation - 123	29,631	300	29,931	-	28,000	28,000	1,931
TOTAL SPECIAL REVENUE FUNDS	709,146	2,417,887	3,127,033	-	2,860,100	2,860,100	266,933
DEBT SERVICE FUNDS							
Debt Service - 401	1,180,570	131,000	1,311,570	-	165,000	165,000	1,146,570
TOTAL DEBT SERVICE FUNDS	1,180,570	131,000	1,311,570	-	165,000	165,000	1,146,570
CAPITAL PROJECTS FUNDS							
Capital Improvements - 301	2,539,914	4,450,000	6,989,914	-	4,103,000	4,103,000	2,886,914
Economic Development Cap. Improv. - 302	19,187	-	19,187	-	19,187	19,187	-
TOTAL CAPITAL PROJECTS	2,559,101	4,450,000	7,009,101	-	4,122,187	4,122,187	2,886,914
PROPRIETARY:							
ENTERPRISE FUNDS							
Water - 501	1,664,080	6,400,000	8,064,080	2,100,000	4,151,000	6,251,000	1,813,080
Water Pollution Control - 502	3,442,237	8,400,000	11,842,237	1,750,000	6,650,000	8,400,000	3,442,237
Hospital - 503	15,581,888	159,390,000	174,971,888	75,644,230	83,500,000	159,144,230	15,827,658
Hospital Plant - 504	73,195,246	13,700,000	86,895,246	-	11,500,000	11,500,000	75,395,246
Hospital Beaverson EMS - 505	150,146	75,000	225,146	-	200,000	200,000	25,146
Hospital Endowment - 506	652,557	100,000	752,557	-	750,000	750,000	2,557
Storm Drainage - 507	1,112,037	1,580,000	2,692,037	470,000	1,090,000	1,560,000	1,132,037
Hospital Bevington - 510	-	-	-	-	-	-	-
Water Capital Fund - 511	13,573	179,000	192,573	-	180,000	180,000	12,573
Sewer Capital Fund - 512	34,158	202,000	236,158	-	220,000	220,000	16,158
Refuse Collection - 514	214,679	1,481,000	1,695,679	-	1,681,000	1,681,000	14,679
TOTAL ENTERPRISE FUNDS	96,060,601	191,507,000	287,567,601	79,964,230	109,922,000	189,886,230	97,681,371

FUND	Estimated Unencumbered Fund Balance 1/1/2021	Budget Year Estimated Receipt	Total Available For Expenditures	Budget Year Expenditures and Encumbrances			Estimated Unencumbered Balance 12/31/2021
				Personal Services	Other	Total	
INTERNAL SERVICE FUNDS							
Garage - 601	2,103	775,000	777,103	464,972	279,336	744,308	32,795
Employee Benefits - 602	1,544,845	4,245,000	5,789,845	4,338,400	-	4,338,400	1,451,445
Investment - 720	-	90,000	90,000	-	90,000	90,000	-
TOTAL INTERNAL SERVICE FUNDS	1,546,948	5,110,000	6,656,948	4,803,372	369,336	5,172,708	1,484,240
FIDUCIARY:							
AGENCY FUNDS							
Guarantee Deposit - 702	205,830	50,000	255,830	-	150,000	150,000	105,830
Cleaning - 705	143,125	35,000	178,125	-	35,000	35,000	143,125
Wooster Growth Corporation - 719	832,730	290,000	1,122,730	-	260,000	260,000	862,730
Wooster Ashland Regional COG - 725	278,228	1,371,000	1,649,228	1,221,112	149,748	1,370,861	278,367
TOTAL TRUST AND AGENCY FUNDS	1,459,913	1,746,000	3,205,913	1,221,112	594,748	1,815,861	1,390,052
TOTAL FOR MEMORANDUM ONLY	\$ 103,516,279	\$ 205,361,887	\$ 308,878,165	\$ 85,988,714	\$ 118,033,371	\$ 204,022,085	\$ 104,856,080

STATEMENT OF PERMANENT IMPROVEMENTS
 (Do Not Include Expense to be Paid from Bond Issues)
 (Section 7505.29 Revised Code)

DESCRIPTION	Estimated Cost of Permanent Improvement	Amount to be Budgeted During Current Year	Name of Paying Fund
Water Line Replacement Projects	\$ 900,000	\$ 900,000	Water - 501
Distribution & Collection Equipment	70,000	70,000	Water - 501
Distribution & Collection Equipment	70,000	70,000	Water Pollution Control - 502
Storm Sewer Projects	440,000	440,000	Storm Sewer Fund - 507
WPCP Improvements	380,000	380,000	Water Pollution Control - 502
Sanitary Sewer Lines & Lining	500,000	500,000	Water Pollution Control - 502
Water Plant Improvements	112,000	112,000	Water - 501
Police Vehicles	165,000	165,000	Capital Improvements Fund - 301
Downtown Streetscape (SW Quad)	850,000	850,000	Capital Improvements Fund - 301
Fire - Station 1 Renovations	1,150,000	1,150,000	Capital Improvements Fund - 301
Road Resurfacing	2,000,000	2,000,000	Capital Improvements Fund - 301
PPM - 2 Leaf Machines	110,000	110,000	Capital Improvements Fund - 301
PPM - 10 Ton Double Axle Dump	175,000	175,000	Capital Improvements Fund - 301
Fire - Autopulse x 4	45,000	45,000	Capital Improvements Fund - 301
Pool Improvements	65,000	65,000	Capital Improvements Fund - 301
TOTAL	\$ 7,032,000	\$ 7,032,000	

City of Wooster, Ohio
Debt Schedule Excluding Compensated Absences
For the Budget Year Ending December 31, 2021

EXHIBIT VI

PURPOSE OF BONDS AND NOTES	Rate of Interest	BUDGET YEAR	
		Amounts Outstanding at Beginning of Budgeted Year January 1, 2021	Amount Required for Principal and Interest 1/1/2021 - 12/31/2021
Street Improvement Bonds, Series 2007			
2007 Street Imp. Bonds E. Milltown Phase 2	2.00% - 2.75%	145,000	78,602
Various Purpose Bonds, Series 2010			
2010 Beall Avenue Reconstruction	2.00% - 3.75%	1,615,000	194,288
Sanitary Sewerage Improvement Bonds, Series 2018			
2018 Sanitary Sewage System Improvement Bonds	2.85%	4,180,000	322,731
Various Purpose Refunding Bonds, Series 2020			
2020 Refunding 2010 Beal Ave	1.79%	1,365,000	159,550
2020 Refunding 2014 Water Bond	1.79%	2,140,000	193,100
2020 Refunding 2014 Sewer Bonds	1.79%	3,370,000	218,988
2020 Refunding 2015 Safety Center	1.79%	5,365,000	430,000
2020 Street Improvements	1.79%	1,330,000	113,400
2020 Park Improvements	1.79%	370,000	30,600
2020 Parking Lot Improvements	1.79%	195,000	155,550
Ohio Public Works Commission			
2003 Storm Mulberry Street Storm Sewer	0.00%	7,183	2,394
2007 E Milltown Rd Reconstruction Phase 2	0.00%	18,202	12,135
2007 Storm Grant, Clark, Walnut Storm Sewer	0.00%	58,100	8,300
2009 Sewer Larwill Street Sewer Separation	0.00%	42,494	2,179
2009 Storm Larwill Street Sewer Separation	0.00%	94,582	4,850
2009 Water Cleveland and Portage Road Waterline	0.00%	25,503	6,376
2010 Water Intermediate Water Tank	0.00%	270,636	13,879
2012 Water Burbank Road Waterline	0.00%	300,000	25,000
2013 Storm Market and Spruce Sewer Separation	0.00%	125,855	9,681
2014 Sewer Spink Street North Sewer Line	0.00%	100,000	4,167
2014 Sewer WWTP Wet Stream Improvements	0.00%	630,569	23,795
2014 Storm Spink Street North Storm Sewer	0.00%	300,000	12,500
2019 Sunset Lane & W. Highland Reconstruction	0.00%	82,610	4,131
Ohio Water Development Authority			
2005 Sewer WWTP Improvements Construction	2.67%	4,558,910	2,179
2005 Sewer WWTP Improvements Equipment	3.25%	749,529	4,167
2009 Water Mindy Lane/Mechanicsburg and Buckeye Booster Station	3.36%	470,469	303,681
2009 Water Tank and Booster Station	3.36%	795,151	25,188
2010 Sewer Biotower and Sewer Line for Frito-Lay	1% (5) - 3% (11)	1,529,202	23,795
2010 Water Secondary Transmission Line	3.70%	133,656	240,900
2010 Water Waterline	4.14%	212,027	326,831
General Obligation Notes			
Not Applicable			
TOTAL		\$ 30,579,677	\$ 2,952,935



WOOSTER CITY COUNCIL
538 N. Market Street * P.O. Box 1128
Wooster, Ohio 44691-7082
Phone 330-263-5200 * www.woosteroh.com

PUBLIC HEARING 2021 TAX BUDGET

NOTICE IS HEREBY GIVEN that the proposed tax budget of the City of Wooster, Ohio for the year ending December 31, 2021, is scheduled for hearing to be held in Council Chambers of City Hall, 538 N. Market Street, Wooster, Ohio at 7:30 p.m. on Monday, June 15, 2020. A copy of said budget is available for public inspection, in the office of the Director of Finance, 538 N. Market Street, Wooster, Ohio, Monday through Friday between 8 a.m. and 5 p.m. It is also available on the City's website at www.woosteroh.com under the section titled News – click link labeled: 2021 City Tax Budget.

All meetings of Wooster City Council and its committees are open to the public

Special auxiliary aids for handicapped persons are available upon request. Requests must be made to Lynne DePaulo, ldepaulo@woosteroh.com or 330-263-5241, during regular working hours.

Lynne DePaulo
Clerk of Council

ORDINANCE NO. 2020-20

AN ORDINANCE SUBMITTING TO THE ELECTORS OF THE CITY OF WOOSTER, OHIO, AMENDMENTS TO THE CHARTER OF THE CITY OF WOOSTER AS PROVIDED IN SECTION 8.03 "CHARTER REVIEW," AND DECLARING AN EMERGENCY

WHEREAS, pursuant to Section 8.03 of the Charter of the City of Wooster this Council appointed a Charter Review Commission, with representation from each ward, for the purpose of conducting the decennial review of the Charter of the City of Wooster; and

WHEREAS, the Charter Review Commission has met from time to time and has recommended that certain proposed amendments to the Charter be submitted to the electorate; and

WHEREAS, Council has determined to authorize and direct the submission to the electors of the City of Wooster the proposed amendments to the Charter of the City of Wooster, Ohio, as provided in Section 8.03 of the Charter, at the general election to be held on November 3, 2020, which election date is not less than sixty (60) nor more than one hundred twenty (120) days from the passage of this Ordinance.

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF WOOSTER, OHIO:

SECTION 1. That, in accordance with the recommendations of the Charter Review Commission, the proposed amendments shall appear on ballots at the general election to be held at the usual places of voting in the City of Wooster on Tuesday, November 3, 2020. This Council hereby authorizes and directs the submission to the electors of the City of Wooster at the general election of the following amendments to the Charter of the City of Wooster, Ohio, and that said Charter amendments be submitted to said electors of the City for their approval or disapproval. The Charter sections proposed for amendment shall read in accordance with the text which is attached to this Ordinance and incorporated herein by reference.

SECTION 2. The foregoing proposed amendments, if approved by a majority of the electors voting thereon at the aforesaid election to be held on November 3, 2020, shall become effective from and after the time of their approval by the electors.

SECTION 3. The Mayor and/or Clerk of Council be and hereby are directed to give public notice of the time and place of holding such election by publication of such notice at least ten (10) days prior to the day of such election in a newspaper published and of general circulation in said City.

SECTION 4. The Clerk of Council be and hereby is directed to cause to be published a copy of the full text of the proposed Charter amendments, as set forth above, once a week for not

BALLOT #1

New or amended language highlighted in **RED**.
Language deletions appear as strikethroughs.

Proposed Charter Amendment City of Wooster:

This amendment, if passed would:

- a. Clarify the Charter definition of compensation.
- b. Reduce the number of Compensation Commission members from nine to seven for ease of recruitment.
- c. Allow for flexibility in the scheduling of City Council meetings.
- d. Changes the title of "emergency ordinances" to "ordinances in need if immediate enactment." This title allows for more clarity for the public.
- e. Allows notice of public meetings to be made electronically in addition to traditional methods.

A majority affirmative vote is necessary for passage

Shall Article II of the Charter of the City of Wooster be changed and amended as follows:

ARTICLE II THE COUNCIL

SECTION 2.03. COMPENSATION AND BONDS.

Compensation and bonds for City officials and employees shall be established by ordinance of Council. **The definition of "compensation" includes both monetary compensation, such as wages, salary, and benefits.** This does not preclude the City Administration's negotiating with City employee groups regarding wages and fringe benefits. **Salaries and benefits** of elected officials for the ensuing term shall be set at least five days prior to the last day for filing candidacy and may not be changed during the term.

Commencing on or about January 1, 2011, and every four years thereafter, Council, in consultation with the Mayor, will appoint a Compensation Commission consisting of ~~nine~~ **seven** resident electors who will be charged with reviewing and making recommendations to the Mayor and Council ~~of the amounts~~ **regarding the salary amount** to be paid the Mayor and members of Council. No more than **four** members of the Compensation Commission shall be of the same political party.

SECTION 2.07. MEETINGS OF COUNCIL.

In each calendar month, excepting July and August, the Council shall hold at least two regular meetings, the time and place of which shall be prescribed by ordinance. **Meetings may be scheduled in the months of July and August as determined by the Mayor and the Council President, but are not required.** Any meeting of Council may be cancelled if, as determined by the Mayor and the Council President, there is no business before Council.

A majority of all Council members elected or duly appointed shall constitute a quorum to do business, but a lesser number may adjourn by majority vote from day to day and compel the attendance of absent members in such manner and under such penalties as may be prescribed by ordinance or resolution.

Special meetings may be held on the call of the Mayor or of a majority of the members and, whenever practicable, upon no less than twelve hours' notice to each member. If a member cannot be located personally, a written notice of the time and date of the special meeting shall be left at his last known place of residence in the City.

SECTION 2.11. ~~EMERGENCY~~ ORDINANCES IN NEED OF IMMEDIATE ENACTMENT.

When necessary for the preservation of the public peace, health, and welfare or safety, or providing for the usual daily operation of a municipal department or division, the Council, by an affirmative vote of three-fourths of the members, may adopt an ~~emergency~~ ordinance which shall set forth and define the specific facts necessitating **the immediate enactment of the ordinance emergency**. Such ~~emergency~~ ordinances shall require no public hearings and shall take effect at the time indicated therein. **Emergency Ordinances in need of immediate enactment** shall be published as other ordinances after passage.

SECTION 2.12. ACTIONS NOT PERMITTED TO BE IMMEDIATELY ENACTED AS EMERGENCIES.

No action of Council authorizing the surrender or joint exercise of its powers, or in granting a franchise, or in establishing new positions, classified and unclassified, or in the enactment, amendment or repeal of any zoning or building resolution or ordinance, or in the changing of any ward boundaries, or in authorizing any change in the boundaries of the Municipality, shall be enacted **immediately** ~~as an emergency ordinance~~.

SECTION 2.17. PUBLICATION OF RESOLUTIONS AND ORDINANCES.

All resolutions and ordinances must be published after enactment by title, number, and summary within the City. Such publication shall announce that a copy of the resolution or ordinance is available at the office of the Clerk of Council. As used in this Charter, the terms "published" and "publication" shall mean to post the legislation or summary thereof in at least three public places as are designated by ordinance of Council, and to take such other actions as may be provided by Council. **One of the three public places may be publishing by means of electronic media.**

BALLOT #2

New or amended language highlighted in **RED**.
Language deletions appear as strikethroughs.

Proposed Charter Amendment City of Wooster:

This amendment, if passed would:

- a. Make the Charter easier to understand as to the Mayor's supervisory and procedural duties.
- b. Provides for a succession plan for the Director of Law and clarifies how the Director of Law and the Director of Finance are appointed.

A majority affirmative vote is necessary for passage

Shall Articles III and IV of the Charter of the City of Wooster be changed and amended as follows:

ARTICLE III THE MAYOR

SECTION 3.02. ADMINISTRATIVE POWERS.

The Mayor shall exercise supervision and control over all of the Administrative Departments of the City, as described in Section 4.04 of the Charter of the City of Wooster of the City. S/he shall be the chief conservator of the peace within the City and shall see that all laws, ordinances and resolutions are faithfully obeyed and enforced. S/he shall be the ceremonial head of the City.

S/he shall have the power:

- (1) To appoint, promote, transfer, reduce or remove any officer, employee, or appointee of the City in a manner consistent with the provisions of this Charter;
- (2) To initiate departmental reorganization in accordance with Section 4.078;
- (3) To exercise those judicial powers granted to mayors under the general laws of Ohio:
- (4) To perform other powers and duties granted by ordinance or resolution.

SECTION 3.04. MAYOR'S VETO POWER.

Upon authentication, every ordinance and resolution shall be presented to the Mayor by the Clerk of Council. If the Mayor approves such ordinance or resolution, s/he shall sign and return it, but if s/he does not approve it, s/he shall return it to the Clerk of Council with a statement of his/her objections to the Council. This shall be recorded in its journal.

The Council may then reconsider the vote on the passage of such legislation, not later than at its next regular meeting. If, on reconsideration, it is approved by two-thirds of the members of Council, it shall become effective as stipulated in Article II, Section 2.15.

If any ordinance or resolution shall not be returned by the Mayor **to the Clerk of Council** within seven days after it was presented to him/her, it shall become effective in the same manner as if it had been signed on the last day of the seven day period.

The Mayor may exercise item veto over appropriation ordinances which shall be subject to the other veto provisions in this Charter.

SECTION 3.05. VACANCY.

(a) Temporary Absence From Office. In the event that the Mayor is temporarily absent or unable to perform the duties of office, **the Clerk of Council shall be notified** ~~s/he shall so notify the Clerk of Council of that fact~~, and the President of Council shall then assume the duties of the office of Mayor during the temporary absence.

(b) Permanent Vacancy. In the event the Mayor, for a period of time in excess of ninety (90) consecutive days, is either absent from office or unable to perform his/her duties because of physical or mental illness or disability, Council may, after providing the Mayor with written notice and an opportunity for a hearing in accordance with Article VIII, Section 8.06(e) (1), upon the affirmative vote of five (5) members, declare the office of Mayor to be vacant.

(c) In the event of a permanent vacancy in the office of the Mayor due to his/her resignation, death or permanent disability, the President of Council shall assume the duties of the office of Mayor. Until a successor **to the office of President of Council** is elected and qualified, the office of President of Council shall become vacant and shall be filled as set forth in Article II, Section 2.06.

Within ten (10) days after the occurrence of a permanent vacancy in the office of Mayor the President of Council shall issue a proclamation to the Board of Elections declaring the existence of a vacancy in such office and the necessity of holding an election to fill the unexpired term thereof. Such election shall be held at the next primary or general election occurring thereafter; provided that if the unexpired term for such office ends within one year following the occurrence of the vacancy an election shall not be held, and the vacancy shall be filled as provided herein.

ARTICLE IV

ADMINISTRATIVE OFFICERS, DEPARTMENTS AND COMMISSIONS

SECTION 4.02. DIRECTOR OF LAW.

The Director of Law shall be an attorney licensed to practice law in the State of Ohio, and s/he shall have been engaged in the active and full-time practice of law continuously for a period of not less than five (5) years preceding his/her appointment. S/He shall have charge of the Law Department of the City. In that capacity, s/he shall serve as the chief legal counsel to the Mayor, the City Council, City departments and divisions, the Hospital Board of Governors, and the various municipal boards and commissions. S/He will perform all duties and functions now or hereafter imposed upon the municipal directors of law by the general laws of Ohio; and s/he will perform such other duties as may be required by this Charter, by ordinance or resolution of Council, or as directed by the Mayor, except that s/he will not serve as counsel to the Wooster City Board of Education.

The Director of Law shall be appointed in accordance with section 4.04 of the Charter of the City of Wooster. The Mayor may also designate a Deputy Director of Law, who, during the absence or disability of, or during a vacancy in, the office of Director of Law, shall exercise the powers and discharge the duties and functions of the Director of Law under the title of Acting Director of Law. The Deputy Director of Law must be an attorney licensed to practice law in the State of Ohio.

SECTION 4.03. DIRECTOR OF FINANCE.

The Director of Finance shall be appointed on the basis of his/her competence as demonstrated by experience, education or both. The Director of Finance shall be appointed in accordance with section 4.04 of the Charter of the City of Wooster. The Mayor may also designate an officer or employee of the City, who, during the absence or disability of, or during a vacancy in, the office of Director of Finance, shall exercise the powers and discharge the duties and functions of the Director of Finance under the title of Acting Director of Finance.

The Director of Finance shall be the chief fiscal officer of the City. S/he shall, on behalf of the City, collect all taxes, assessments and moneys due; disburse funds as authorized; select depositories; invest funds when available for investment; maintain an efficient general accounting system and specify and supervise departmental accounting including invoicing, receiving and, where appropriate, cost accounting systems; and represent the City with other governmental fiscal agencies. The Director of Finance shall perform all duties and functions now or hereafter imposed on city auditors and treasurers by the laws of the State of Ohio which are not in conflict with the provisions of this Charter.

The Director of Finance shall, for the Council in a form Council may specify, report the current financial status of the City not less than quarterly; provide Council all supportive financial information requested for consideration of the annual appropriation ordinance; and make a yearly report covering all accounts and obligations of the previous fiscal year.

The Director of Finance shall serve as fiscal advisor to the Mayor and the Council and provide cost account data when feasible and desirable. S/he shall assist the Mayor in the preparation of the yearly budget, appropriation ordinances and statements of anticipated income, and accept any other duties assigned to him/her by the Mayor.

BALLOT #3

New or amended language highlighted in **RED**.
Language deletions appear as strikethroughs.

Proposed Charter Amendment City of Wooster:

This amendment, if passed would:

- a. Remove the limit on the number of Administrative Assistants as this is more appropriately handled outside of the Charter.
- b. Remove the governance of civil service from the Charter as Civil Service Rules are a more efficient method.
- c. Allow employees to move from the classified to the unclassified civil service as this restriction has been overly restrictive to employees who wish to change.

A majority affirmative vote is necessary for passage

Shall Article V of the Charter of the City of Wooster be changed and amended as follows:

ARTICLE V **THE CIVIL SERVICE**

SECTION 5.03. CLASSIFIED AND UNCLASSIFIED SERVICE.

Unless otherwise provided in this section, all compensated positions in the service of the Municipality shall be in the classified service and shall be appointed and promoted pursuant to competitive examinations. The following shall comprise the unclassified service of the Municipality:

1. Mayor;
2. President of Council;
3. Members of Council;
4. Clerk of Council and other employees of Council;
5. Directors; department heads and assistant department heads; and division heads and assistant division heads except in the Police and Fire divisions;
6. Members of boards and commissions established by this Charter or by ordinance of Council;
7. **Administrative Assistants** ~~One administrative assistant to the Mayor; and one administrative assistant for each department;~~
8. All staff and employees of the Wooster Community Hospital;
9. Volunteer members of the Fire Division, and members of the auxiliary police unit of the Police Division;
10. Employees working less than an established work week; and seasonal employees;
11. Temporary employees;

12. Persons filling positions determined by Council to require exceptional qualifications of a scientific, managerial, professional, or educational character.

SECTION 5.04. CIVIL SERVICE EXAMINATIONS.

All matters relating to the hiring and promotion of Civil Service employees shall be in compliance with the Civil Service Rules as passed by City Council.

~~In administering competitive examinations the administrative officer appointed by the Mayor may use any one or more of the following methods:~~

- ~~1. Standard written aptitude, achievement, and intelligence examinations;~~
- ~~2. Written or oral dissertations of objective nature designed to test the applicant's familiarity with the classification;~~
- ~~3. Written or oral examinations which evaluate mental fitness, character traits, and attitudes;~~
- ~~4. Performances or skill examinations which provide for assessment of the applicant's abilities and manual skills to perform the work required in the classification;~~
- ~~5. Evaluation examinations which objectively and uniformly rate and evaluate the applicant's education, training, and past experience;~~
- ~~6. Physical examinations of agility, endurance, coordination and muscular strength when pertinent to the classification;~~
- ~~7. Oral examinations which demonstrate general knowledge, personal qualities, and communications skills;~~
- ~~8. Any other method authorized by Council.~~

SECTION 5.05. NEW EMPLOYEES.

~~All new classified employees of the Municipality shall serve a one year probationary period. During this period, the supervisor of each employee shall evaluate the performance of the employee in writing, on an approved form, not less than three times and not less than fifteen days before the probationary period of the employee ends, and shall file a copy of the same with the Administrative Officer for the Commission.~~

~~Based on the evaluation reports and at any time within the probationary year, the Director of Administration may terminate the employment of the probationary employee without cause. Such action by the Director is final and not subject to appeal to the Municipal Civil Service Commission. Failure to terminate the employment of the probationary employee within the probationary year shall be deemed to constitute a permanent appointment in the classified service of the Municipality.~~

SECTION 5.06. PROMOTIONS IN THE CLASSIFIED SERVICE.

~~Except as otherwise provided in this charter, vacancies in positions in the classified service shall be filled, as far as practicable, by promotions. Promotions shall be made according to merit and fitness, determined by competitive examinations.~~

SECTION 5.07. PROMOTION TO CHIEF IN THE POLICE AND FIRE DIVISIONS.

~~When a vacancy occurs in the position of Chief in the Police Division, all regular sworn members of the Division above the rank of patrolman, who have completed five years of service in the division as regular sworn members, shall be eligible to take the examination for Chief.~~

~~When a vacancy occurs in the position of Chief in the Fire Division, all regular sworn members of the Division above the rank of firefighter, who have completed five years of service in the division as regular sworn members, shall be eligible to take the examination for Chief.~~

~~In either the Police or Fire Division, the Mayor may nominate two additional candidates to take the examination for Chief.~~

SECTION 5.05 ~~5.08~~. DISCIPLINE.

All matters relating to the discipline of Civil Service employees shall be in compliance with the Civil Service Rules, the various collective-bargaining agreements, the Employee Handbook, and Department policies and procedures.

~~Except where the employee is otherwise subject to a collective bargaining agreement, the Mayor, Director of Administration or designee may discipline, suspend, demote, or dismiss a classified employee of the Municipality for reasonable and just cause including but not limited to the following: neglect of duty, insubordination, conduct unbecoming an employee, malfeasance, nonfeasance, misfeasance, abuse of leave policy of the Municipality, physical incompetence, mental incompetence, failure to maintain a high level of professional performance, and any other cause that may be established by Council as a uniform rule. A department head or division head may also discipline or suspend, but not demote or dismiss, a classified employee within his/her department or division for the reasons provided above. The disciplining officer shall serve the employee with written notice of the charges preferred against him/her and written notice of the action taken, and shall also file a copy of the same within the Municipal Civil Service Commission.~~

~~Except where the employee is otherwise subject to a collective bargaining agreement, any employee within the classified service of the Municipality disciplined, suspended, demoted, or dismissed from his/her position shall have the right to a formal hearing before the Municipal Civil Service Commission, providing such employee files a written request for hearing with the Commission within ten (10) days after receipt of charges preferred against him/her and notice of the action taken. Not less than fifteen (15) days after its timely receipt of a written request for hearing, the Commission shall convene a hearing at which time the employee and his/her representative, and the disciplining officer and his/her representative, may participate. Such hearing shall be as informal as is compatible with the requirements of justice. Formal rules of evidence shall not be required; and the burden of proof necessary to support the discipline, suspension, demotion, or dismissal shall be a preponderance of the evidence. The hearing shall be conducted in public unless the employee waives the same in writing prior to the time of hearing. The Commission shall announce a decision within a reasonable time after the hearing has been completed. A majority vote of Commission members shall be required to render a decision.~~

~~The decision of the Municipal Civil Service Commission shall be a final appealable order.~~

~~The Municipal Civil Service Commission shall be charged with the responsibility of developing rules, regulations and procedures not in conflict with this Charter to govern the~~

~~execution of its duties. These rules, regulations and procedures shall be adopted by Council as stated in Section 5.01 of this Charter.~~

~~SECTION 5.06~~ ~~5.09~~-POLITICAL ACTIVITY.

No classified employee shall participate in any manner in any municipal political campaign. A classified employee may participate in any non-municipal political campaign, except during working hours. Any employee who violates this section shall be subject to discipline as provided in Section 5.058 of this Charter.

ARTICLE IX
TRANSITION

~~SECTION 9.05. TRANSITION FROM CLASSIFIED TO UNCLASSIFIED SERVICE.~~

~~Any employee holding a position in the classified service, which position is subsequently placed in the unclassified service by amendment to this Charter, shall continue as a classified employee. Subsequent vacancies in such position shall be filled in the manner provided in this Charter for positions in the unclassified service.~~

BALLOT #4

New or amended language highlighted in **RED**.
Language deletions appear as strikethroughs.

Proposed Charter Amendment City of Wooster:

This amendment, if passed would:

- a. Allows for the transfer of unencumbered appropriation balances to be transferred among accounts within a fund, in order to maximize budgetary efficiency and flexibility.
- b. Changes the term "Councilman" to "Member of Council" and adds feminine pronouns.
- c. Clarifies residency requirements for elected officials to match state law.
- d. Changes the procedure for filing an initiative petition in order to make the process more efficient.

A majority affirmative vote is necessary for passage

Shall Article II of the Charter of the City of Wooster be changed and amended as follows:

ARTICLE VI TAXATION AND FINANCE

SECTION 6.05. TRANSFER OF APPROPRIATIONS.

Any time during the fiscal year, the Mayor may transfer part of any unencumbered appropriation balance among accounts within a ~~fund division~~. Any such transfer shall be reported in writing to Council. Upon written request by the Mayor, Council may by ordinance transfer part or all of any unencumbered appropriation balance from one department to another, or from one division to another in accordance with law.

ARTICLE VII NOMINATION, ELECTIONS, QUALIFICATIONS, INITIATIVE AND REFERENDUM

SECTION 7.03. QUALIFICATIONS OF ELECTED OFFICERS.

Each elected officer of the Municipality shall be an elector of the Municipality and shall have resided therein or in a territory annexed thereto for a period of at least one year prior to nomination for such office and shall continue to reside therein during his term.

Each **Member of Council** ~~man~~ elected to represent a ward shall be a continuous resident and qualified elector of the ward s/he represents, or territory annexed thereto, during his/her term of office **as defined in Section 3503.02 of the Ohio Revised Code**.

Any elected officer who ceases to possess such qualifications shall forfeit his/her office.

SECTION 7.08. INITIATIVE AND REFERENDUM.

The powers of initiative and referendum are reserved to the people. Ordinances and other measures may be proposed by initiative petition and adopted by election, and ordinances and other measures adopted by the Council shall be subject to referendum, to the extent and manner

now or hereafter provided by the general laws of Ohio, except as otherwise provided in this Charter.

Whoever seeks to propose an ordinance or measure by initiative petition or files a referendum petition against any ordinance or measure adopted by Council, shall, before circulating such petition, file a certified copy of the proposed ordinance or measure with the **Clerk of Council.** ~~municipal Director of Finance.~~

As used in this section, "certified copy" means a copy containing a written statement attesting that it is a true and exact reproduction of the original proposed ordinance or measure or of the original ordinance or measure.

ARTICLE VI **GENERAL PROVISIONS**

SECTION 8.05. OATH OF OFFICE.

Any officer or employee of the Municipality who is required by law to take an oath of office shall also be required to pledge his **or her** support of the Charter and the ordinances of the City of Wooster.

BALLOT #5

New or amended language highlighted in **RED**.
Language deletions appear as strikethroughs.

Proposed Charter Amendment City of Wooster:

This amendment, if passed would:

- a. Changes the title of the Mayor's position on the Board of Governors from "President" to Chairperson and adds feminine pronouns.
- b. Removes the requirement that City Council approve Hospital ranges of Compensation as it is duplicative of their duty to approve the Hospital budget.
- c. Clarifies the duties and definition of the position of "Vice President of Fiscal Affairs".
- d. Eliminates term limits for members of the Wooster Community Hospital Board of Governors in order to create parity between Township and City board members.

A majority affirmative vote is necessary for passage

Shall Article X and IV of the Charter of the City of Wooster be changed and amended as follows:

ARTICLE X WOOSTER COMMUNITY HOSPITAL

SECTION 10.02. BOARD OF GOVERNORS.

The Municipal Hospital shall be operated, managed and controlled by a Board of Governors comprised of six members consisting of the Mayor, who by virtue of his **or her** office shall be its **Chairperson** ~~president~~, and five electors of the City, at least one of whom shall be a doctor of medicine, to be appointed by the Mayor with the consent of the Council each for a term of four years. A vacancy in the office of any appointed member shall be filled in like manner for the unexpired term of such office. Where the City has entered in a participatory agreement with a joint township hospital district board or with a board of county commissioners concerning the involvement of such district or county in the erection or enlargement of the Hospital, the maintenance and operation thereof, or both, the membership of the Board of Governors shall be expanded to include such representatives appointed by the participating district or county board as may be provided for in any such agreement.

A majority of the members of the Board of Governors, ~~as it may be expanded,~~ shall constitute a quorum. Such Board may establish such by-laws and regulations governing its procedures, and may elect such officers other than president, as its members determine. Members shall be entitled to such compensation for their services as may be established by the Council or, where the City has entered into a participatory agreement with a joint township hospital district board or with a board of county commissioners, as may be provided for in such agreement.

SECTION 10.03. POWERS AND DUTIES OF BOARD OF GOVERNORS.

Subject to ordinances of Council and, where the City has entered into a participatory agreement with a joint township hospital district board or with a board of county commissioners, to any limitations set forth in such agreement, the Board of Governors shall have and be responsible for the management, operation and control of the Hospital and for the maintenance, repair, renovation, improvement, enlargement or expansion of Hospital facilities. In the exercise of such responsibilities, the Board shall be empowered, as it deems necessary or appropriate, to: (1) adopt rules for Hospital government and operation and for the admission of persons to Hospital privileges; (2) establish charges and rates for Hospital services; (3) employ an administrator, a professional medical staff and other administrative, professional and supportive personnel; (4) contract for, and authorize the expenditure of funds relating to, the purchase of supplies, materials, equipment and furnishings, and the performance of work and services, incidental to the operation and management of the Hospital or the maintenance, repair, renovation, improvement, enlargement or expansion of Hospital facilities except that purchases of real property which are not included in the annual appropriation ordinance shall be subject to City Council approval; and (5) manage, administer and authorize the expenditure of any funds or property donated, by deed of gift, devise or bequest, to the Hospital for Hospital purposes.

All Hospital personnel and staff employed by the Board of Governors shall be in the unclassified civil service of the City and the Board shall establish such procedures for the selection, promotion, demotion, discipline and dismissal of Hospital employees as it deems appropriate. The Board shall also fix the compensation and other conditions of employment for Hospital staff and personnel, ~~provided that the ranges of compensation for such Hospital employees shall be subject to approval of Council~~ **utilizing the Board of Governors' committee structure for review and available hospital compensation market data.**

All contracts made by the Board of Governors shall be executed in the name of the City by the chief administrative officer of the Hospital, or such other Hospital officer as may from time to time be designated by the Board, only after such contracts have been approved and such execution authorized by the resolution of the Board. In approving and authorizing such contracts, the Board shall comply with all applicable requirements governing the award of public contracts, including requirements relative to advertisement and formal bidding procedures, as are prescribed by this Charter or by Ordinance of Council or, when not prescribed by Charter or Ordinance, as provided by the general laws of the State of Ohio.

SECTION 10.04. FISCAL AFFAIRS.

~~The Director of Finance~~ **Vice President of Fiscal Services**, as the chief fiscal officer of the City **Wooster Community** Hospital, shall, with respect to the Hospital, perform the functions and duties required of the ~~Director~~ **chief financial officer of the Hospital and collaborate with the Director of Finance of the City pursuant to duties and functions as specified in** pursuant to Section 4.034 of this Charter, ~~including the supervision of Hospital accounting, the custody and investment of Hospital funds, including funds donated to the Hospital, and the disbursement thereof upon the authorization of the Board of Governors. At the request of the Director of Finance, the Mayor may designate an officer or employee of the Hospital to exercise and discharge such duties and functions of the Director of Finance with respect to the financial affairs and operations of the Hospital as may be specified by the Mayor. Any such officer or employee so designated shall undertake to assume and perform the duties~~ **The Vice President of Fiscal Services will be selected by a group consisting of the Mayor or his or her designee, the Hospital chief executive officer, the Vice-Chair of the Board of Governors, and the Finance**

Director. In the case of a tie in the selection process, the vote of the Mayor or his or her designee shall be considered as the tie-breaking vote. The Vice President of Fiscal Services will ~~and functions to be assumed and performed duties by him~~ only after first giving bond in such amount as may be established by ordinance of Council ~~and shall thereafter serve, acting with the title of Deputy Director of Finance for Hospital Affairs, at the pleasure of the Mayor.~~ The Vice President of Fiscal Services and the Board of Governors shall ~~assist the Mayor and Director of Finance in the preparation of these~~ submit the Hospital portions of each City annual budget and appropriation ordinance, prepared pursuant to Article VI of this Charter, which concern the Hospital.

**ARTICLE IV
ADMINISTRATIVE OFFICERS, DEPARTMENTS AND COMMISSIONS**

SECTION 4.06. COMMISSIONS AND BOARDS.

There shall be at least one member from each ward on any commission or board, except licensing boards, and where the total membership on the commission or board is less than the number of wards. Council shall adopt rules by which membership on a commission or board will be limited to no more than twelve (12) consecutive years per appointee. Appointments to the Wooster Community Hospital Board of Governors are specifically exempted from any limit on the number of years they may serve.

Request for Agenda Item

Authorization for Bid

Purchase Capital Item

Non-Capital

Division Utilities / WRRF	Meeting Date Requested June 15, 2020
Project Name WRRF Influent Screen Repairs	Estimated Total Funds/Costs \$130,000
Is Full Amount Budgeted? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If YES, three readings NOT REQUIRED	
If No, How is the Purchase to be Funded? 	
Description of Request To authorize the emergency repairs of the influent fine screens and to waive competitive bidding processes for the time and material contract. Manufacturer investigation indicated "minuets to midnight" on failure. The request is to work with a local fabricator to rehabilitate each machine at a total estimated time and material cost of \$130,000 or \$65,000 each unit. Work will consist of new plate fabrication and installation with a 7 day turn around for each unit. Since there is no warranty with the unit and longer turn around with the manufacturer, including shipping to Texas, this local contractor is the best option. Important to add the manufacture response and assistance has been poor. McCune Fabrication has been selected for this emergency work.	
Justification / Benefits Request is to waive all competitive bidding requirements as eminent failure will be detrimental to the safety of the staff and process treatment. The manufacturer in Texas has poor response time and a minimum with the pandemic it could be a month turn around for each unit (2). The local contractor has the staff and time to rapidly address the needed reparis. Within 14 days of approval units will be repaired and back in service. It has been determined the particular unit we have is not ideal for conditions.	
Will this Project affect the City's Operating Costs No	
What Alternatives Exist and what are the Implications of the Alternatives No alternatives	
Is this a Sole Source Bid or Non-Bid Situation <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If Yes, Explain The Circumstances: The local fabricator has the ability and resources to turn this around quickly. The manufacturer in Texas has poor service ability.	
Is there a need for Suspension of the Rules or a Time Frame when this must be passed? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If Yes, Note Reasons Time is of the essence. Need to move as quickly as possible.	
NOTE: Emergency Clause Required if Legislative Effective Date is IMMEDIATE.	
Manager Requesting: Nathan W. Coey	Date: 6-10-20

Approved for Agenda Yes No



Nathan W. Coey
Utilities Manager
1020 Old Columbus Road
Wooster, OH 44691
330-263-5284
ncoey@woosteroh.com



June 11, 2020

City of Wooster, OH8504512

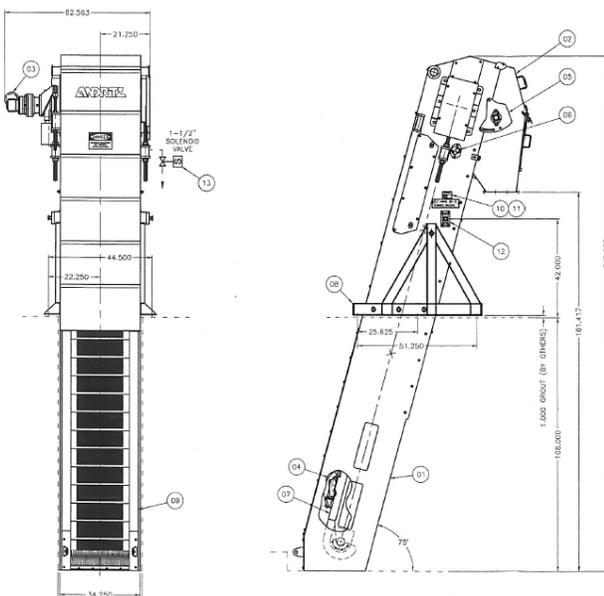
Subject: WRRF Influent Screen Emergency Rehabilitation

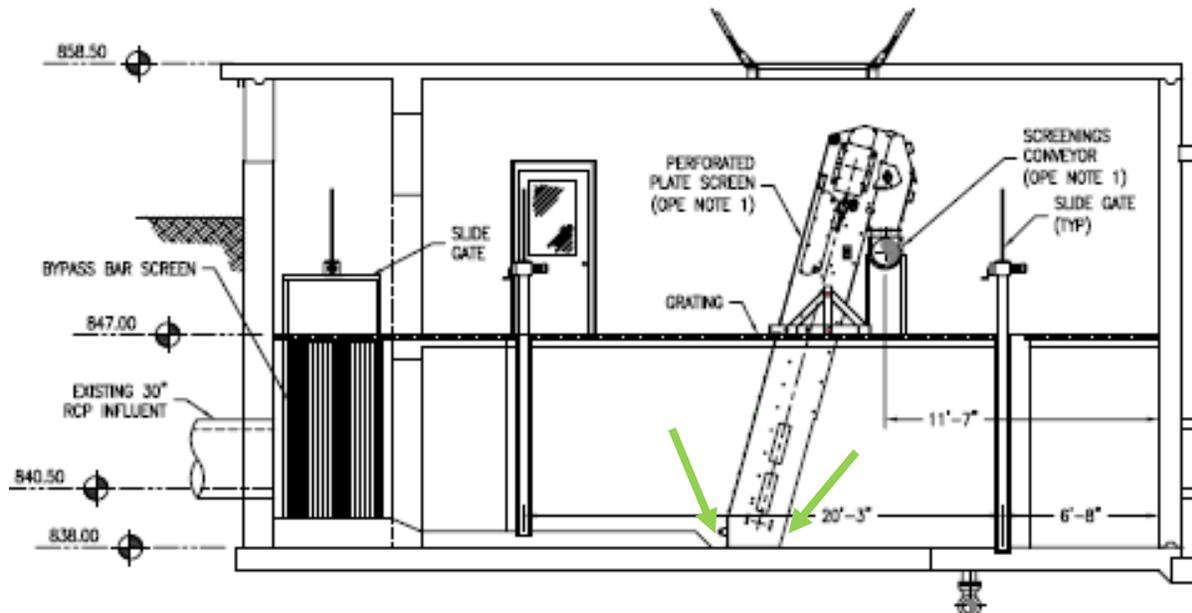
Dear Council, Mayor, and Director of Administration:

I have requested the authorization of emergency expenditures and permission to waive the competitive bidding process. The equipment has reached a critical state and any further delay will greatly impede the commitment to safety and regulatory requirements.

Please allow me to share the purpose of this vital equipment and the history of maintenance and inspections to date.

- Influent screening is a requirement of any modern treatment facility. Too often toilets are used as a waste bin. In recent years, all treatment facilities (especially during COVID-19) have been subjected to high levels of inorganics related to wet wipes, cleaning wipes, contraceptive products and feminine hygiene products. This equipment has a dual function. To remove the debris to prevent excessive wear of treatment equipment and capacity reduction. To ensure debris removal prior to the treated water discharge to the receiving water. The screenings are collected, dewatered and sent to landfill.
- The Wooster facility currently has two-step screens manufactured by Andritz. These units were installed at the end of the 2006-2007 facility improvements. The unit uses stainless steel perforated plates to capture debris with 3 mm spacing (6 mm is the regulatory max). The unit cost then was \$465,400. The units have undergone several debris removal conveyance upgrades since installation.





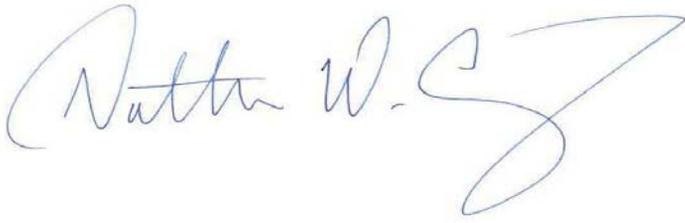
- Outside of the poor auger systems and subsequent replacement, the units operated under what would be considered routine maintenance until 2016. Staff observed unusual wear patterns that lead to an inspection trip from the manufacturer. The inspection indicated heavy wear on stainless steel sprockets, chains, axles, guides, guards, bearings and miscellaneous related hardware. This resulted in a total overhaul of each unit. The work was completed with local support and parts from the manufacturer. The 2016 labor and material repair cost was \$133,543. While this type of work is not typical, under our operations it could be expected.
- During the onset of the covid-19 lockdown staff started to notice machine inefficiencies. Debris capture rate was poor and allowing debris to flow to other plant components, ultimately leading to pump and pipe plugs. The staff started to analyze the issues with the machine. A brush that is used to remove debris off the steps for auger collection and discharge had noticeable wear. Upon further inspection, the majority of the 56 steps in each machine were showing tremendous wear. When it was determined that the brushes were not the cause of the plate wear, the manufacturer was contacted. Upon easing of COVID restrictions the manufacturer made the trip to help determine the issue. This inspection was nearly three weeks ago and still waiting on a formal report and quote. Inspection indicated the following verbal exchanges.
 - The machine(s) in the current state are at high risk for complete failure.
 - The plate wear was first concerning as it seemed the machine had settled and the plates were grinding on the tank concrete floor. Further inspection determined the wear is due to the following.
 - High flow velocities. The units run in a nearly continuous operation and not how these units are designed to operate. Extended run times are indicative of the current wear. The unit is

supposed to work on upstream and downstream (of the screen) levels for automatic on/off cycle operations. The concept is the debris builds up on the plate, once the water level rises (based on influent flow rates) the plates move up for clean plates to catch debris. Due to the configuration (units were dropped in place of old units at the 2007 upgrade) that is not possible, thus the constant operation.

- The configuration and velocity indicates poor grit removal, or at least removal in the proper locations. The inspection indicated heavy grit accumulation indicated with neon green arrows on the above diagram. Unbeknownst to the staff and operation standards this would not indicate this being a grit collection point. The grit (rock, stones, sand etc.) has been the wear point for these plates with wear since 2016 rehabilitation with visible indicators in the last month.
- I continue to wait for any form of quote from the manufacturer and given the history, I cannot wait for them. We are at the emanate failure stage and expedience is imperative. Andritz provided a quote of \$94,696 for a total of 112 new stainless steel steps. The machine would have to be shipped to Texas and they have yet to provide the cost or turn around.
- During the time waiting on formal information from Andritz we have contacted a local fabricator. Instead of purchasing plates from Andritz and labor by others we have consolidated efforts. Scott McCune has the ability and resources to fabricate all the steps at a cost of \$72,000 for installation, and labor cost of \$58,000, totaling \$130,000. This individual is familiar with the units and has made past repairs. Understanding there is no warranty on the current units; the risk is low working with the local company. They have shared the ability to turn around a machine in 7 days, one at a time. This is the most expedient and economical route at this time.

Summary

- It is proper to emphasize the poor performance and reliability of the screening equipment greatly hinges on the poor design initiative of the 2007 upgrade project. It almost seems like this screening equipment was an afterthought, based on my historical understanding
- The staff will engage in more periodic inspection to view potential grit accumulations.
- There were no prior indications of this unit failing until the telltale signs. Further delay shares a sharp increase of time to failure with what has been observed so far. As expressed to us, we are “minutes to midnight”.
- Understanding that grit accumulation is the plate failure malefactor, the new plates will be doubled in opening size, 3 mm (.12 inch) to 6 mm (.24 inch). This will ensure a healthy return on investment as we sacrifice the potential of grit pass through. Larger holes suggest the grit will not bind up the steps and then erosion and undue forces on the machine from flow rates. It is a pressure and debris situation, but the screen will function better by intent and under the current nearly continuous operation. It is my hope that this investment will provide at least 4-5 years of healthy service. This will also require intentional inspection efforts to gauge grit accumulation and deposits in plant processes and altered cleaning cycles.
- With this proposed work and work in 2016, investment will eclipse \$263,543 or the equivalent of a new screen at the original purchase price.
 - A budgetary quote for a machine that would be better suited for our environment without any configuration changes was received. This option was reviewed and turnaround for a new machine would be 18-20 weeks at a cost of \$126,800 each. This quote does not include an anticipatory cost of \$40,000 for new auguring equipment.
- Long term recommendation. Under the 2022 budget request cycle request (at this time) a budget of \$253,600 for two new screens, \$40,000 for auger improvements and \$65,000 in labor and contingencies for a total of \$500,000. This would include a proper screening unit at the septage receiving station (three screens total). By 2030 and 2031 budget for one new screen each year to allow rehabilitation schedule with no reduction of our screening equipment, i.e. units in place for high flows and normal business functions. This will allow for scheduled rehabilitation prior to “run to fail” state. We now know this particular style of screening and configuration indicates heavy wear and total overhaul within 9 years of service. This option does not fully account for current improper grit removal.

A handwritten signature in blue ink that reads "Nathan W. Coey". The signature is fluid and cursive, with the first name being the most prominent.

Nathan W. Coey, Wooster Water Utilities Manager

Disclaimer

Any recommendations for long term improvements will continue to be evaluated as we adapt to machine performance after the current emergency rehabilitation needs. Please feel free to contact me with any questions.

ORDINANCE NO. 2020-21

AN ORDINANCE INSTRUCTING THE CITY ADMINISTRATION TO SUBMIT STATUTORY NOTICE OF COUNCIL'S INTENT TO ESTABLISH A TAX INCREMENTAL FINANCING DISTRICT AND ADOPT AN ECONOMIC DEVELOPMENT PLAN TO SUPPORT THE PROVISION OF A DIRECT DEVELOPMENT GRANT TO ENABLE THE CREATION OF THE MELROSE DRIVE RESIDENTIAL SUBDIVISION PROJECT, AND DECLARING AN EMERGENCY

WHEREAS, Carl Yacapraro and Mildred Yacapraro, owners of the properties commonly known as 4677 Melrose Drive and Melrose Drive Rear, Wooster, Ohio 44691 (Parcels 71-00250.000 and 71-00251.000 respectively) and in the City of Wooster, have petitioned the City of Wooster with Jerry Baker, a land developer and future site owner, to create a Tax Incremental Financing Incentive District in order to secure a \$1,014,649.00 direct grant from the City for the construction of public infrastructure and to support the creation of 72 new single-family market-rate homes, attached hereto as Exhibit A; and

WHEREAS, portions of the City of Wooster's public right-of-way along Melrose Drive and its intersection with Smithville-Western and Mel Lane, which are contiguous to the proposed development site, are necessary to include within the Incentive District to ensure long-term maintenance and repair of the existing public infrastructure that provides access to the site; and

WHEREAS; Ohio Revised Code Sections 5709.40, 5709.42 and 5709.43 provide that this Council may describe public infrastructure improvements to be made which benefit certain parcels, declare improvements (as defined in ORC Section 5709.40) with respect to such parcels of real property located in the City to be a public purpose, thereby exempting those improvements from real property taxation for a period of time, and provide for the making of service payments in lieu of taxes by the owners of such parcels, and establish a municipal public improvement Tax Increment Equivalent Fund into which such service payments shall be deposited; and

WHEREAS, this Council desires to facilitate the development of a residential subdivision with up to 72 single-family homes within the City in order to increase available housing options within the City (the "Project"); and

WHEREAS, this Council, pursuant to ORC Sections 5709.40, 5709.42 and 5709.43 (collectively, the "TIF Act"), is authorized to declare improvements to real property to be a public purpose, exempt those improvements from real property taxation, and require owners of the real property to make service payments in lieu of taxes in an amount equal to such exempted taxes; and

WHEREAS, to facilitate the development of the Project and pay the associated costs of the necessary public infrastructure improvements from service payments in lieu of taxes, this Council has determined to establish legislation to create the Melrose Drive Incentive District pursuant to the TIF Act, specifically identified and depicted in Exhibit B attached hereto; and

~~WHEREAS, the Wooster Growth Corporation, as the designated community improvement corporation for the City of Wooster, has reviewed the request for direct development incentives to be funded through tax incremental financing and has recommended its adoption; and~~

WHEREAS the Wooster City School District Board of Education, the Wayne County Schools Career Center, and the Wayne County Commissioners are first entitled to 45 business days advanced notice to consider legislation establishing a Tax Incremental Financing Incentive District;

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF WOOSTER, OHIO:

SECTION 1. The City Administration is hereby instructed to file an Economic Development Plan with the Clerk of Council for the proposed Melrose Drive Residential Subdivision Project with recommendations that Wooster City Council has determined the following: (1) Additional single-family market-rate housing opportunities are necessary to support the City of Wooster's ongoing community development efforts; (2) a direct infrastructure grant in the amount of \$1,014,649.00 to be awarded to a land developer to establish public infrastructure inclusive of roadway improvements, water system improvements, sanitary sewer improvements, including one or more lift stations, storm drainage improvements, pedestrian sidewalks, street lights, gas facilities, electrical facilities, and all appurtenances thereto, and that such a grant is necessary to ensure the expedient establishment of the 72-home Melrose Drive Residential Subdivision Project; (3) funding is necessary to support the long-term maintenance and reconstruction of the aforementioned public infrastructure; and (4) payments in lieu of taxes generated from the establishment of a Tax Incremental Financing Incentive District is the method by which the grant should be paid.

SECTION 2. The City Administration is hereby instructed to issue statutory 45-business day notice to the Wooster City School District, the Wayne County Schools Career Center, and the Wayne County Commissioners of Wooster City Council's intent to adopt Ordinance 2020-22 proposed tax incremental financing legislation pursuant to Ohio Revised Code 5709.40 and establish a Tax Incremental Financing Incentive District with a 100 percent exemption lasting thirty years, and request a waiver.

SECTION 3. The City Administration is hereby instructed to prepare an Infrastructure and Plat Agreement. The terms of such agreement will include, but not be limited to, the following: (1) Direct grant amount of \$1,014,649.00 payable in three equal payments with the final payment rendered after completion of the public infrastructure; (2) a commitment of 72 residential single-family homes accompanied with a developer's plat to be recorded; (3) a repayment guarantee in the event payment in lieu of taxes do not generate \$1,014,649 within the thirty-year term of the Incentive District; (4) such other terms as the Mayor, in his/her discretion, deems appropriate; and (5) require a resolution of Wooster Council authorizing the Mayor to enter the agreement.

SECTION 4. This Council finds and declares that all formal actions concerning and relating to the adoption of this Ordinance occurred in an open meeting of this Council, in compliance with law.

SECTION 5. This Ordinance is hereby declared to be an emergency measure necessary to the immediate preservation of the public health, peace, safety and welfare of the City, and for the further reason that this Ordinance is required to be immediately effective in order to provide for the funding for the Melrose Drive Incentive District so that such road improvements may be constructed as quickly as possible, thereby providing immediate necessary public road improvements, and thereby supporting the construction of much-desired new residential homes within the described area and improve the economic welfare of the people and generate vitally needed tax and payments in lieu of tax revenues; wherefore, this Ordinance shall be in full force and effect from and immediately after its passage and approval by the Mayor; provided it receives the affirmative vote of at least three-fourths of the members of Council; otherwise it shall take effect and be in force from and after the earliest period allowed by law.

1st reading _____ 2nd reading _____ 3rd reading _____

Passed: _____, 2020

Vote: _____

Attest: _____

Clerk of Council

President of Council

Approved: _____, 2020

Mayor

Introduced by: Craig Sanders

EXHIBIT A : WRITTEN REQUEST

**Wooster, Ohio Tax Increment Financing Request
Proposed Melrose Drive Housing Project – Originally Submitted 3/10/20 & Updated 5/8/20**

Project Overview

Property Location

4677 Melrose Drive
PPN: #71-00250.000 & #71-00251.000

Property Information

Acreage: 21.87
Zoning: R-1

Requesting Party

Jerry Baker, Development &
Project Manager

Applicant's Project Description

The proposed project is a 72 lot residential subdivision located at 4677 Melrose Dr. (PPN #71-00250.000 & #71-00251.000) in Wooster, Ohio. The site is within the City of Wooster corporation limits and is zoned R-1 Suburban Single Family Residential, of which the proposed development is both appropriate in use and structure. A development partnership, managed by Jerry Baker will own the property and work with the City of Wooster on infrastructure improvements at the site and make the finished lots available to residential home builder Ryan Homes. All homes will be single family and fall in price range(s) between \$175K to \$235K.

Project phases include:

1. Demolition of residence, barn, and misc. structures at the site. Significant pre-infrastructure grading of the site.
2. Clearing of trees & overgrowth located in the development area. Note: many of the evergreen trees located on the boundary of the property will remain as they will not negatively affect the planned infrastructure/site layout.
3. Installation of all site infrastructure will follow the land clearing and is proposed to be undertaken in one-phase.
4. Construction of Ryan Homes Model(s), will promptly follow the infrastructure installation.
5. Sales and construction of homes as described above.

Project Costs

Land Acquisition and Cleanup	\$650,000
Engineering Services & Misc	\$75,000
Earthwork & Infrastructure	\$1,800,000
Total Project	\$2,525,000

T.I.F. Fund Request

Project is seeking support for the installation of infrastructure through the site, to defray the overall cost associated with the project

Total T.I.F. Request:

\$1,014,648 which equals to 37.5% of the new total Taxable Amount for the Development.

Tax Revenue Scenario: assumes average household at \$200,000K

Tax per Year for 72 homes	\$3,706.48
Total Taxable Amount of Home (over a 10 yr. Term)	\$37,064.80
Taxable Amount for Development (over 10 yr. Term)	\$2,705,730.40

Property Tax Estimation

Tax District: 67 Wooster City SD 3rd Ward
Effective Tax Rate: 60.06
Market Value: \$200,000.00

T.I.F Revenue Scenario: assumes average household at \$200,000K

Value of T.I.F per House per Year	\$1,389.93
Value of T.I.F per House (over a 10 YR. Term)	\$13,899.30
Value of T.I.F for Development (72 unites over 10 yr Term)	\$1,014,648.9

**Assumes a T.I.F. Request for 37.5% of the new value generated by the development*

***Assumes the construction of 72 homes valued at \$200,000*

T.I.F. Reimbursement Request:

The development manager is requesting the City support the installation of infrastructure on the site by issuing three equal payments totaling \$1,014,658.90 as described above. Payments will be requested as a percentage of the project is completed. The developer will be responsible for completing the project in its entirety, which will include the construction of 72 residential homes. *NOTE: Additional expenses making up the estimated \$1,800,000 earthwork and infrastructure costs will be assumed by the Developer. All other project costs will be assumed by the Developer.*

Project Timeframe:

The development manager is seeking approval by June 1, 2020 for the support of the project being undertaken in the beginning of summer 2020.

**JOINT DECLARATION OF OWNER REQUEST FOR TAX
INCREMENTAL FINANCING DEVELOPMENT INCNETIVE**

Submitted To:
Development Coordinator
City of Wooster
538 N. Market Street
Wooster, Ohio 44691

Property Owner:
Carl A. Yacapraro & Mildred E. Yacapraro
390 McClure Street
Wooster, Ohio 44691

Developer (future owner):

Jerry Baker
Company: North Development, LLC
Address: 1130 Rittel Rd. Wooster

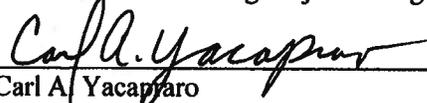
PROPERTY OWNER AFFIRMATION:

As property owner, I hereby affirm that I am petitioning the City of Wooster to establish a Tax Incremental Financing District under Ohio Revised Code 5715.27 for my property known as

- **Wayne County Parcel ID 71-00250.000:** 13-16-23 NWPT NW 14.87A MP 222 CD 2619, (14.87 acres)
- **Wayne County Parcel ID 71-00251.000:** 13-16-23 NWPT NW 7.001A MP 222 CD 2620, (7.001 acres)

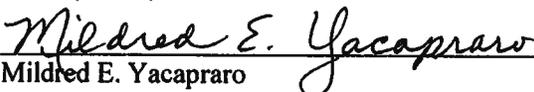
The opportunity for public funding through Tax Incremental Financing is necessary to support the construction of the public infrastructure necessary to support the future residential development, as illustrated in the attached development proposal submitted by "Developer".

Separately, I affirm that I have a real estate purchase agreement in place with "Developer", which will be responsible for the property's development. My signature constitutes that I authorize and concur with the "Developer's" submission of the attached "Wooster, Ohio Tax Increment Financing Request Proposed Melrose Drive Housing Project – Originally Submitted 3/10/20 & Updated 5/8/20".



Carl A. Yacapraro

Date: 5-18-2020

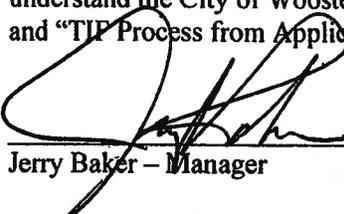


Mildred E. Yacapraro

Date: 5-18-20

DEVELOPER AND FUTURE-OWNER AFFIRMATION:

As developer and future owner of the proposed project site, I affirm, I hereby affirm that I am petitioning the City of Wooster to establish a Tax Incremental Financing District under Ohio Revised Code 5709.40(C), for the above-described property, to establish a residential subdivision as described in the attached "Wooster, Ohio Tax Increment Financing Request Proposed Melrose Drive Housing Project – Originally Submitted 3/10/20 & Updated 5/8/20". I understand that in addition to the creation of a TIF District, separate legislation is required to authorize an agreement to grant incentives. I have read and understand the City of Wooster's "Criteria for Consideration of TIF Incentives for Residential Projects" and "TIF Process from Application to Approval", and wish to advance this proposal for consideration.



Jerry Baker – Manager

Date: 5/18/20

PLAN 1440 COTTAGE



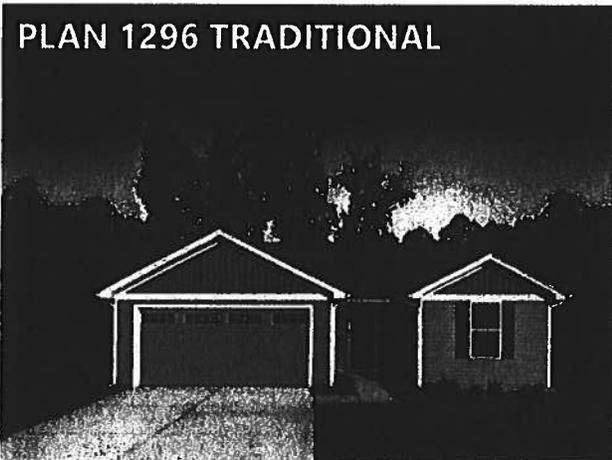
**Plan 1140
\$175,000**

PLAN 1680 COTTAGE



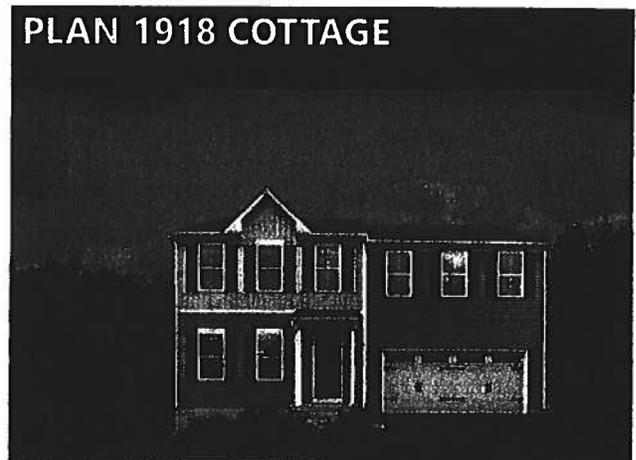
**Plan 1680
\$187,000**

PLAN 1296 TRADITIONAL



**Plan 1296
\$195,000**

PLAN 1918 COTTAGE

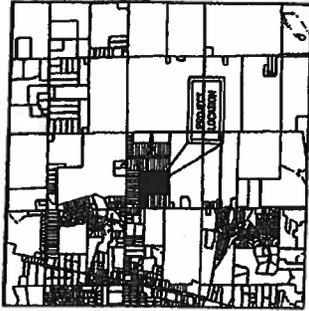


**Plan 1918
\$205,000**

PLAN 2203 COTTAGE



**Plan 2203
\$229,000**

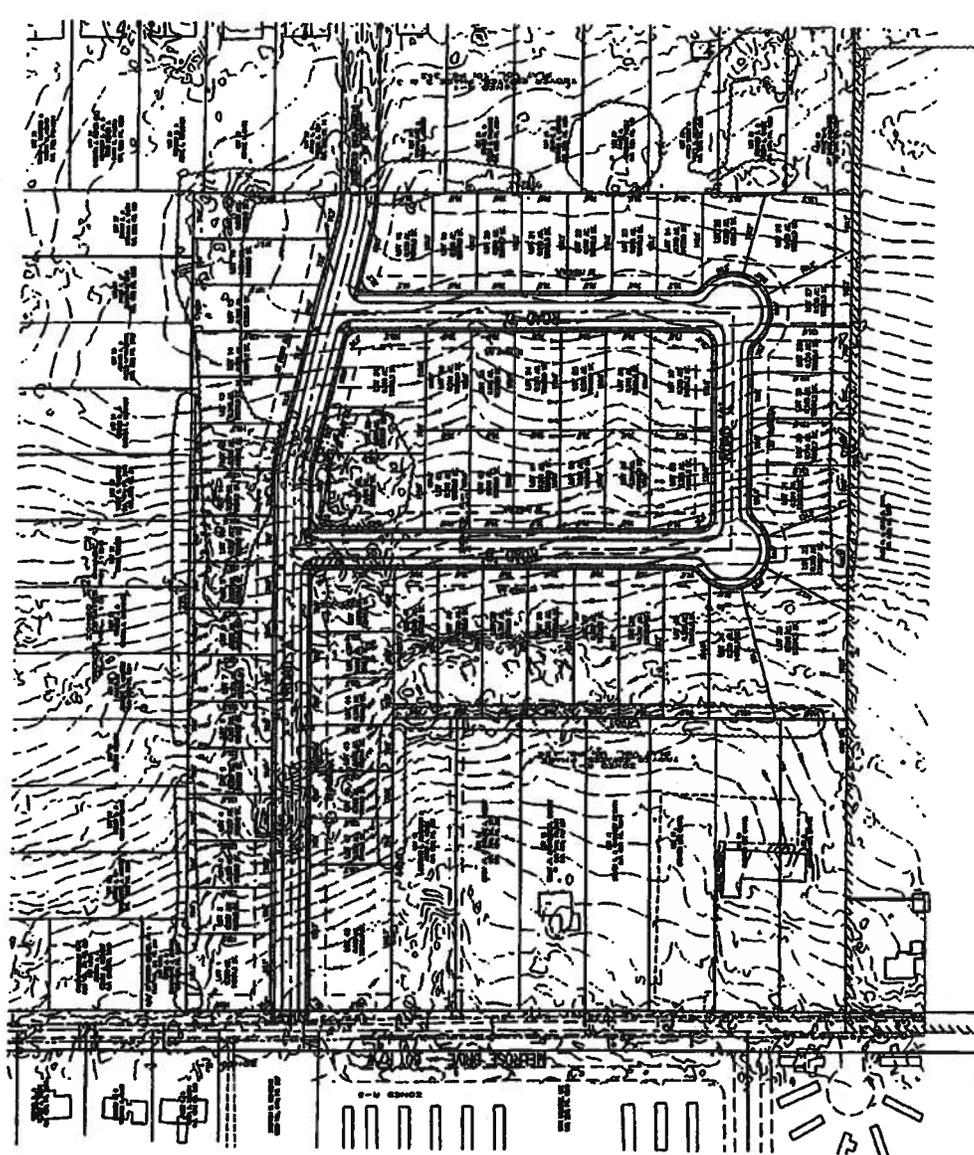
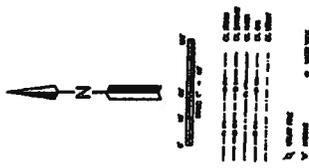


LOCATION MAP

PRELIMINARY SUBDIVISION
 CITY OF WOOSTER
 T-16N : R-13W
 N.W. QTR. SEC. 23
 WAYNE COUNTY, OHIO

PROP. 63 LOTS

THE CITY OF WOOSTER, OHIO, HAS REVIEWED THIS PLAN AND HAS DETERMINED THAT IT IS IN ACCORDANCE WITH THE CITY ZONING ORDINANCES AND THE CITY ENGINEERING DEPARTMENT HAS REVIEWED THIS PLAN AND HAS DETERMINED THAT IT IS IN ACCORDANCE WITH THE CITY ENGINEERING DEPARTMENT. THE CITY ENGINEER HAS REVIEWED THIS PLAN AND HAS DETERMINED THAT IT IS IN ACCORDANCE WITH THE CITY ENGINEERING DEPARTMENT. THE CITY ENGINEER HAS REVIEWED THIS PLAN AND HAS DETERMINED THAT IT IS IN ACCORDANCE WITH THE CITY ENGINEERING DEPARTMENT.



SHAWNEE ENGINEERING & SURVEYING, INC.
 1000 W. MAIN ST., SUITE 100
 WOOSTER, OHIO 44691
 PHONE: (614) 265-1111
 FAX: (614) 265-1112
 E-MAIL: SHAWNEE@SPEINC.COM

PROPOSED LAYOUT PLAN
 BAKER PROPERTIES
 1000 W. MAIN ST., SUITE 100
 WOOSTER, OHIO 44691
 PHONE: (614) 265-1111
 FAX: (614) 265-1112
 E-MAIL: BAKER@BPAK.COM

EXHIBIT B

ORDINANCE NO. 2020-22

AN ORDINANCE DECLARING IMPROVEMENTS TO CERTAIN PARCELS OF REAL PROPERTY TO BE A PUBLIC PURPOSE, DESCRIBING THE PUBLIC INFRASTRUCTURE IMPROVEMENTS TO BE MADE TO BENEFIT THOSE PARCELS, REQUIRING THE OWNERS THEREOF TO MAKE SERVICE PAYMENTS IN LIEU OF TAXES, AND ESTABLISHING A MUNICIPAL PUBLIC IMPROVEMENT TAX INCREMENT EQUIVALENT FUND, AUTHORIZING AN AGREEMENT, AND DECLARING AN EMERGENCY

WHEREAS, Ohio Revised Code Sections 5709.40, 5709.42 and 5709.43 provide that this Council may describe public infrastructure improvements to be made which benefit certain parcels, declare Improvements (as defined in O.R.C. Section 5709.40) with respect to such parcels of real property located in the City to be a public purpose, thereby exempting those Improvements from real property taxation for a period of time, and provide for the making of service payments in lieu of taxes by the owners of such parcels, and establish a municipal public improvement tax increment equivalent fund into which such service payments shall be deposited; and

WHEREAS, this Council desires to facilitate the development of a residential subdivision with up to **72** single-family homes within the City in order to increase available housing options within the City (the "Project"); and

WHEREAS, in order to develop the Project, it is necessary to construct certain public infrastructure improvements; and

WHEREAS, this Council, pursuant to ORC Sections 5709.40, 5709.42 and 5709.43 (collectively, the "TIF Act"), is authorized to declare improvements to real property to be a public purpose, exempt those improvements from real property taxation, and require owners of the real property to make service payments in lieu of taxes in an amount equal to such exempted taxes; and

WHEREAS, to facilitate the development of the Project and pay the associated costs of the necessary public infrastructure improvements from service payments in lieu of taxes, this Council has determined to create the Melrose Drive Incentive District pursuant to the TIF Act, specifically identified and depicted in Exhibit A attached hereto; and

NOW THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF WOOSTER, OHIO:

EXHIBIT B

SECTION 1. Incentive District Findings and Determinations; Creation of Incentive District. This Council hereby : (i) adopts the Economic Development Plan for the Incentive Districts now on file with the Clerk of the City Council, (ii) accepts and adopts the City Engineer's certification to this Council and the City Engineer's findings set forth therein (a) that the public infrastructure serving the Incentive District is inadequate to meet the development needs of the Incentive District as evidenced by the Economic Development Plan, and (b) that the Incentive District is less than 300 acres in size and enclosed by a contiguous boundary, (iii) finds and determines that the Project will place additional demand on the Public Infrastructure Improvements, (iv) finds and determines that the City sent written notice of the public hearing regarding this ordinance by first class mail to each owner of real property within each proposed Incentive District at least 30 days prior to such hearing, which notice included a map of the proposed Incentive District as well as the overlay area required by ORC Section 5709.40(C)(2), finds and determines that this Council has not received a request from the owner of any real property within any proposed Incentive District to exclude that owner's property from the Incentive District, (vi) finds and determines that notice of this ordinance has been delivered to the Board of Education of the Wooster City School District, the Wayne County Joint Vocational School District, and the Wayne County Board of Commissioners, in accordance with and within the time periods prescribed in ORC Sections 5709.40 and 5709.83, and (vii) finds and determines that the City has not received an objection to this ordinance from either the Board of Education of the Wooster City School District, the Wayne County Joint Vocational School District, or the Wayne County Board of County Commissioners within the time periods prescribed in ORC Section 5709.40. This Council further finds that the sum of the taxable value of real property in the Incentive Districts for tax year 2020 and the taxable value of all real property in the City that would have been taxable in tax year 2020 were it not for the fact that the property was in an existing incentive district and therefore exempt from taxation, does not exceed twenty-five percent of the taxable value of real property within the City for tax year 2020. Pursuant to the TIF Act, this Council creates the Incentive District, specifically identified and depicted in Exhibit A attached hereto.

SECTION 2. Public Infrastructure Improvements. This Council designates the following public infrastructure improvements, together with any public infrastructure improvements hereafter designated by ordinance, as public infrastructure improvements made, to be made or in the process of being made by the City that benefit or serve, or that once made will benefit or serve, the Parcels in each Incentive District (the "Public Infrastructure Improvements"): roadway improvements, water system improvements , sanitary sewer improvements, including one or more lift stations, storm drainage improvements, pedestrian sidewalks, street lights, gas facilities, electrical facilities, and all appurtenances thereto. The costs of the improvements include but are not limited to, those costs listed in ORC Section 133.15(B).

SECTION 3. Life of Incentive District; Authorization of Tax Exemption. The life of the Incentive District commences with the first tax year that begins after the effective date of this ordinance and in which an Improvement attributable to a new structure would first appear on the tax list and duplicate of real and public utility property for any Parcel within the Incentive District were it not for the exemption granted in this ordinance and ends on the earlier of (a) 30 years after such commencement or (b) the date on which the City can no longer require service payments in lieu of taxes, all in accordance with the requirements of the TIF Act (the "Incentive District Life").

EXHIBIT B

Pursuant to and in accordance with the provisions of ORC Section 5709.40(C), this Council hereby declares that the increase in assessed value of each Parcel subsequent to the effective date of this ordinance (which increase in assessed value is hereinafter referred to as the "Improvement," as defined in ORC Section 5709.40(A)) is a public purpose and 75% or 100% exempt from taxation for the Incentive District Life for the applicable Incentive District.

SECTION 4. Service Payments and Property Tax Rollback Payments. Pursuant to ORC Section 5709.42, the owner of each Parcel is hereby required to make annual service payments in lieu of taxes with respect to the Improvement to that Parcel to the Wayne County Treasurer (the "County Treasurer") on or before the final dates for payment of real property taxes. Each service payment in lieu of taxes, including any penalties and interest at the then current rate established for real property taxes (collectively, the "Service Payments"), will 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 pursuant to Section 3 of this ordinance. The Service Payments, and any other payments with respect to each Improvement that are received by the County Treasurer in connection with the reduction required by ORC Sections 319.302, 321.24, 323.152 and 323.156, as the same may be amended from time to time, or any successor provisions thereto as the same may be amended from time to time (the "Property Tax Rollback Payments"), will be deposited and distributed in accordance with Section 6 of this ordinance.

SECTION 5. TIF Fund. This Council hereby establishes the Melrose Drive Incentive District Municipal Public Improvement Tax Increment Equivalent Fund (the "TIF Fund"). The TIF Fund shall be maintained in the custody of the City and shall receive all distributions to be made to the City pursuant to Section 6 of this ordinance. Those Service Payments and Property Tax Rollback Payments received by the City with respect to the Improvement of each Parcel and so deposited pursuant to the TIF Act shall be used solely for the purposes authorized in the TIF Act and this ordinance (as it may be amended or supplemented). The TIF Fund shall remain in existence so long as such Service Payments and Property Tax Rollback Payments are collected and used for the aforesaid purposes, after which time the TIF Fund shall be dissolved and any incidental surplus funds remaining therein transferred to the City's General Fund, all in accordance with the TIF Act.

SECTION 6. Distribution of Funds. Pursuant to the TIF Act, for the duration of the Incentive District Life, the County Treasurer is requested to distribute all Service Payments and Property Tax Rollback Payments to the City, for further deposit into the TIF Fund. The City shall use all such amounts deposited into the TIF Fund as follows:

- a. To pay each of the Wooster City School District, the Wayne County Joint Vocational School District an amount equal to 75% of the amount the school district would otherwise receive as real property tax payments (including the applicable portion of any Property Tax Rollback Payments) derived from the Improvement to each Parcel if the Improvement had not been exempt from taxation pursuant to this ordinance for the first ten years, and then an amount equal to 100% through the remainder of the TIF term. The City shall make such payments within 60 days of receiving such amounts from the County.



538 N. Market Street * P.O. Box 1128
Wooster, Ohio 44691-3406



Jonathan S. Millea, AICP, CEcD
Development Coordinator
Phone : (330) 263-5250
Fax: (330) 263-5247
Email: jmillea@woosteroh.com

MEMO

To: Wooster City Council, City Administration
From: Jonathan Millea AICP CEcD, Development Coordinator
Date: 6/11/2020
Re: **Ordinance 2020-21 Instructions to Establish TIF District**

Dear Members of Wooster City Council,

Ordinance 2020-21 is being provided in response to a written request for public tax incentives from property owners and a developer and also at the request of council members. Specifically, the incentive would furnish a \$1,014,649 grant for a \$1.3MM to \$1.8MM public infrastructure investment necessary to establish 72 housing lots.

As with all legal and discretionary requests for public incentives, regardless of staff recommendation, our office has prepared supporting analysis and information so that the specific request may receive a thorough review. Concerning the request, please find the following supporting attachments:

- **Financial Impact Analysis Redirects ~\$1.6MM to \$2MM in tax dollars for Project**
 - *May repay grant and net the City up to \$126K to \$508K for future maintenance in TIF District.*
 - *As proposed, reduces revenues to partner local governments as follows:*
 - *-\$334K from WCSD, -\$545K to -\$927K from County, -\$487K from City, -\$131K Library*
- **Alternative Analysis considered and discussed for this project**
 - *Project Re-costing and Zoning (\$0 public cost), City \$725K TIF grant, 50% CRA (>\$1.17MM)*
- **Draft Economic Development Plan for this project To be adopted with TIF Legislation**
 - *Recommendations and financial analysis will need Council direction*
- **Wooster's preliminary recommended TIF Considerations for residential projects**
 - *Reviewed by Wooster Growth (Jan 7, 2020 & February 26, 2020)*

Thank you.

Sincerely,
Jonathan Millea, AICP, CEcD
Development Coordinator

FINANCIAL ANALYSIS FOR MELROSE TIF

KEY NUMBERS: Melrose TIF Request (Per Final Proposal):

- **Project: 72 homes with an average \$200,000 sale price**
Home price range is estimated between \$175,000 to \$235,000 but could be higher. Number of homes contingent on zoning approval and market conditions. Construction of housing is not committed and Ryan Homes is not a party to the proposed agreement.
- **Melrose TIF Request: \$1,014,649**
Amount of public assistance requested, payable through project construction. This will create 72 vacant building lots. This would be paid upfront as a grant to the Developer, with the City recouping costs from PILOTS over the next 17 years (or 15 with County support).
- **Melrose Lot Development Project Cost: \$2,525,000**
Assumes cost of acquisition and cleanup, engineering services, and infrastructure costs to create 72 building lots. \$1,800,000 of this figure is estimated to be public infrastructure costs.
- **Estimated Infrastructure Cost: \$1,332,000**
City of Wooster Engineer's Cost Estimate for public infrastructure, about \$468,000 less than the proposed.
- **Melrose TIF Term Established by City: 100% for 30 Years**
This is the level of tax exemption that the City places on the property. Effectively, 100% tax revenue resulting from the incremental increase to property value will be redirected to a special fund to cover specified infrastructure costs and to compensate other taxing districts.
- **TIF Revenues Over 30 Years: \$1,628,098** (Or \$2,009,964 w/ County support)
The amount of PILOTS that could be expected in years 1 through 10 assuming 15% of the development is constructed per year, or 11 \$200,000 homes constructed annually.
- **TIF Revenues First 10 Years: \$714,556** (Or \$741,817 w/ County support)
The amount of PILOTS that could be expected in years 1 through 10 assuming 15% of the development is constructed per year, or 11 \$200,000 homes constructed annually.
- **TIF Revenues In Years 11 through 30: \$913,541** (Or \$1,26,8147 w/ County support)
The amount of PILOTS that could be expected in years 1 through 10 assuming 15% of the development is constructed per year, or 11 \$200,000 homes constructed annually.
- **City Net Revenues after 30 years: \$126,331** (Or \$508,197 w/ County support)
Balance of revenue after TIF Grant and discounting City's 487,118 in revenues it would have otherwise received. This is funding that can support road reconstruction and maintenance along within and around the subdivision, including Melrose Drive and Mel Lane.
- **School District Exemption: 25% for 10 years, 0% thereafter**
Under the proposal, school districts revenues are exempted 25%, effectively a 10-year, 25% tax abatement. Schools have rights to review and comment, but at this level a vote of approval is not required, although consensus is recommended.
- **County Revenue Exemption: 87.5% for 10 yrs, 50% thereafter, (Or 100% w/ County support)**
County government is owed a 45-business day review period and may request or vote to decrease its exemption from 100% down to as low as 50%.
- **Value of County Support: \$381,866**
County government may allow 100% exemption either through taking no action or by legislation. For this project, a 100% exemption of County funds could add approximately \$381,866 to the District.

Note: Notification to local school districts and a recommendation by the Wooster Growth Corporation are required before an application for a Community Reinvestment Area (CRA) abatement may be considered by the Wooster City Council. Community Reinvestment Area #169-86548-01 is governed by Ohio Revised Code Sections 3735.65 through 3735.70, as administered by the Ohio Development Services Agency, and City of Wooster Ordinances No. 2004-33. For questions on this application or the City of Wooster's CRA in general, please contact the City of Wooster Development Coordinator at 330.263.5250.

As Requested:

TIF Need Proposal

# Homes*	72
Avg. Home Price w/TIF	\$200,000

Property Costs

Land Acquisition and Cleanup	\$650,000
Engineering Services	\$75,000
Infrastructure	\$1,800,000
Cost to develop vacant lot:	\$35,069
Total Project	\$2,525,000

Base Price	\$150,000
X 72 homes	\$10,800,000

Total Project	\$13,325,000
Cost to Deliver New Home:	\$185,069

TIF Subsidy Need

Current TIF Request (See 1)	\$1,014,649
TIF Request Per Lot	\$14,092
TIF Need Per Home (See 2)	None
TIF Need for Project (See 2)	\$0

Price Per Home Impacts

Avg. home price without TIF	\$185,069
TIF lowers costs by \$14,092 per lot	\$170,977

Rezoning and Market Rate Development Costing

Alternative - Zoning & Quotes

77	Homes possible w/ 60 -ft, few 55-ft lots, or 82 homes at 5E
\$200,000	(Existing models constructed on lots of 60 to 55 feet)

Property Costs

\$650,000	This is elevated, but within range of area market prices
\$75,000	This is reasonable in the market place
\$1,332,000	Savings \$8K per lot per market rate - New Quotes recommend
\$26,714	With increased density and market rate infrastructure
\$2,057,000	Savings of \$468,000 with measures.

\$150,000	This is the market base price for a new home in our market
\$11,550,000	X 77 homes (increased density)

\$13,607,000	Total Project (Lot developed + Home Built)
\$176,714	Savings of \$8,355 per home with measures.

Using Alternative Measures, No TIF Subsidy

\$1,014,649	Amount Developer has Requested to complete project
\$13,177	Assistance requested per Home
-\$10,108	Actual Need with alternative measures for avg. \$200K home
-\$778,351	Alternative measures would fulfill funding gap by this amount
\$468,000	Amount lot developer would save implementing existing measures

Price Per Home Impacts with Alternative Measures (See 4)

\$176,714	Avg home price with alternative measures (60ft lot) - w/o TIF
\$166,305	Max. allowable avg. home price w/ \$1,014,649 TIF (+ prev

NOTES:

- 1./ This funding is derived through redirecting future real estate tax revenues over the first ten years from local schools (estimated at \$552969), the city's general fund (estimated at \$114562), county budget (estimated at \$334886), and other community entities (estimated at \$57312).
- 2./ Actual TIF Need is the amount of TIF funding, or gap-funding, required to deliver 72 homes at an average price-point of \$200K per home based on the proposed project costs. This is before taking any alternative measures, such as reducing lot sizes and securing market-rate construction services. Effectively, based on the proposed project development costs, the proposed homes could sell at an average price point of \$185070 before TIF assistance.
- 3./ This represents the gap of funding needed to deliver 77 homes at an average price point of \$200000. Effectively, using the proposed Alternative Measures will allow the proposed homes to sell at an average price point of \$189892 before TIF assistance. With a contribution of \$1014649 as requested by the developer, the average home price commitment would need to be \$176715)
- 4./ The alternative minimum shows that homes should average at \$176,714 with alternative measures. The proposed \$1,014,659 TIF would reduce home values by an additional \$10,187, a \$784,380 direct benefit, in addition to covering \$180K to \$220K in labor costs to comply with prevailing wage. The homeowners would effectively save \$7,321 in interest payments over the course of a typical 4%, 30-year mortgage.) This presents an opportunity for the TIF proceeds to be fully captured by local businesses and parties. Prevailing wage assumes 16% project cost - this is a general estimate - Prevailing wage generally adds 33% to labor costs while material costs remain unchanged.

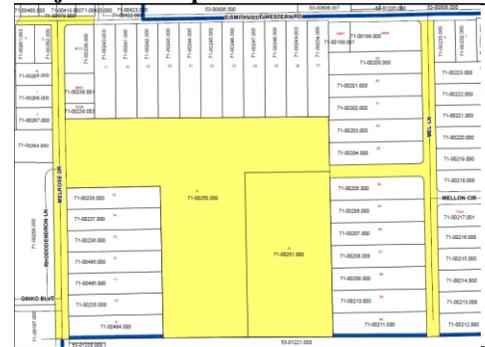
DRAFT TAX INCREMENTAL FINANCING INCENTIVE REQUEST SUMMARY DRAFT



Prepared by the City of Wooster Department of Community Service and Development at the Request of:
North (Pending) Development Ltd. – Site: Melrose Drive, Wooster, Oh
 Application Date: 18 May 2020

Project Summary: North (Pending) Development Ltd., has submitted a request for the creation of a Tax Incremental Financing (TIF) Development Incentive District and seeks a direct grant of **\$1,014,649** to support the construction of a 72-home single-family subdivision (only the lots are committed at this time). See **ORC 5709.40(c)**. The request is made with the permission of the current landowners, Carl A. Yacapraro and Mildred E. Yacapraro. The Wooster-area firm is affiliated with a group of local real estate development and land management firms with an extensive history of successfully completing multiple commercial and residential projects throughout the region. The project is largest residential home construction proposal in several years.

Project Site Map



TIF District (Project site, ROW of Melrose Drive and its intersection with Smithville-Western and Mel Lane.

At an average price of \$200,000, the addition of 72 new homes in Wooster would have the potential to generate **\$292,260** annually in tax revenues, a substantial portion of which that could be redirected to a city fund to cover construction, reconstruction, and maintenance costs associated with public roadways and utilities within the TIF district over a period of 30 years. The direct TIF assistance would support the development firm in recovering its cost of acquisition, engineering, and infrastructure costs, estimated together at **\$2,525,000**.

Specifically, the Melrose TIF District would create a **30-year, 100% tax exemption** on the incremental increase of valuation, and a special assessment charging payments in lieu of taxes (PILOTS) in an equal amount. PILOTS would go to an infrastructure fund to cover the cost of road and public utility (water, sewer, and storm) construction, reconstruction, and maintenance within the district, and also return 75% of school district revenues to the respective districts for the first ten years, and then 100% thereafter. The district would comprise Parcels 71-00250.000 and 71-00251.000, and the City of Wooster's right-of-way along Melrose Drive and its intersection with Smithville-Western and Mel Lane (see exhibit).

Project Impacts: As a consumer-demand-based single-family housing development project, there is no permanent job creation associated with the project. At an **uncommitted** sale price range of \$175,000 to \$235,000, the homes are market-rate and not considered affordable, but would include the lowest-priced new construction homes possible within the region. The project **would compete** with other local and regional businesses engaged in homebuilding. The project is the largest single-family housing development proposed in City limits in recent years, and tackles a concern voiced by some local businesses.

After the consideration of several alternatives, the Applicant proposes a **\$1,014,649** grant, payable during the project's construction, to cover the cost of roadway, waterlines, sewer lines, storm sewer, and preparation of public rights of way that will be provided to the City. The developer estimates the value of the infrastructure at \$1,800,000. The City of Wooster Engineer estimates the cost of construction at **\$1,332,000** excluding prevailing wage rates.

Staff has not identified a project need necessitating the expenditure of public funds and notes that Ryan Homes is not a party to the agreement, however, the requesting firm indicates the project will not proceed otherwise. Assuming a build-out rate of 15% per year (approximately 11 \$200K homes per year with full build-out in year 8), and an effective exemption of 25% to local school districts over the first 10 years, a **100%, 30-Year TIF** would net approximately **\$714,556** in PILOT revenues for repayment of the grant in years 1 through 10 and **\$913,541** in years 11 through 30, with **full pay-off of the grant in year 17**. Lifetime PILOT revenues of **\$1,628,089**, discounting **\$487,118** of City taxes, produces a net gain of **\$126,321** (or **\$508,197** with County support) for the City to utilize for road and utility maintenance in lieu of its capital improvements fund. **Alternatively**, a grant request \$750,000 may be paid back in **year 10** and generate an additional **\$300,000 net**. Absent of any TIF funding, projects savings of up to **\$601,571** are possible by forgoing prevailing wage and increasing housing density to 77.

Attachments: Application, Financial Analysis, (Economic Plan & Engineer's certification **PENDING**)

TABLE: Project Implication Matrix

Melrose TIF District – 72 homes sold at \$200,000, constructed 11 per year. (Not all investments are likely to impact valuation.)

Current Value ¹ Land Only	Annual Tax Obligation ¹	Post Proj. Tax Value ² ~\$13,325,000 Invested	Annual Tax Oblig. 100% Complete	Infrastructure Direct Grant	Infrastructure Estimated Cost	TIF Revenue First 10 Yrs*	TIF Revenue at 30 Yrs*
\$261,150	\$3,256	\$14,400,000	\$292,260	\$1,014,649	\$1,332,000	\$714,556	\$1,628,098
Merlrose Subdivision TIF Grant	<i>Annual City Income Tax Impact</i>		\$0	<i>Avg. Net Property Gain - TIF Grant (Yrs 1-10)</i>		\$54,142	
	<i>City Net TIF Revenue</i>		\$126,331	<i>Avg. Net Property Gain - TIF Grant (Yrs 11-30)</i>		\$252,889	
	<i>*City Net TIF (w/ County support)</i>		\$508,197	<i>Avg. Post-TIF Annual Revenue</i>		\$292,260	

Note: Notification to local school districts and a recommendation by the Wooster Growth Corporation are required before an application for a Community Reinvestment Area (CRA) abatement may be considered by the Wooster City Council. Community Reinvestment Area #169-86548-01 is governed by Ohio Revised Code Sections 3735.65 through 3735.70, as administered by the Ohio Development Services Agency, and City of Wooster Ordinances No. 2004-33. For questions on this application or the City of Wooster's CRA in general, please contact the City of Wooster Development Coordinator at 330.263.5250.

MELROSE TIF REQUEST CONSIDERATIONS

TIF Risks

CITY FINANCIAL RISKS

- TIF PILOTS will result in the redirection of future tax revenues from other taxing jurisdictions, but rates can be tailored to minimize impacts to certain entities.
- A grant of **\$1,014,649** and discount of the City's projected tax revenues generates a net of **\$126,321**. This assumes a 15% build-out per year (complete build-out year 8), a TIF District would generate an estimated \$1.6MM.
- Alternative grant of \$725,000 leads to probable payoff in year 7 would net the City **\$415,000**.
- Without TIF, the project doesn't generate additional City revenue, but holds harmless partner local governments.
- If paying TIF grant upfront instead of committing TIF Revenues as collected over time, the City runs the risk of not collecting sufficient PILOTS to recover its costs.

OUTCOMES FOR COMMUNITY

- Economic Development Office has heard from several local businesses that housing is not at all an issue to attracting and retaining employees.
- Target range of \$175,000 and \$235,000 is out of the range of the majority of Wooster households and cannot be considered affordable. While a reasonable estimate, the price range is **not committed** for this project.
- Home construction is not guaranteed without home-builder a party to the TIF request.
- Project offers minimal potential for revenue generation to support off-site infrastructure enjoyed by the larger community. The vast majority of the incentive supports only the residents of the 72 future homes.

MARKET CONCERNS

- Extending abatement to consumer-driven business where there is sufficient demand results in a loss of revenue and loss of return on investment from previous incentives such as EZ and CRA that have created new jobs.
- Wooster's home construction market is weak but **stronger** than surrounding northeast Ohio communities. The market has already been incentivized with new consumers as a result of primary job creation.
- Market-rate housing construction is consumer-driven and has little influence on job creation.
- Market will be demanded for future similar projects regardless of actual project need.

TIF Opportunities

CITY FINANCIAL OPPORTUNITIES

- Wooster tax dollars are redirected back to local infrastructure rather than being spent outside of city limits. Incentive exclusively supports public infrastructure.
- Incentive *should* generate **net revenues** for the City.
- If developed as proposed, the project would generate up to **\$292,000** in real estate tax revenues per year on property currently generating \$3,255.07 presently.
- Indications are that the infrastructure **developer will not proceed with the project absent of assistance**. The proposal involves three parties, a landowner, infrastructure developer, and home builder.
- Beneficial alternative CRA, which provides a flat rate reduction to all taxing jurisdictions without the ability to minimize impacts to entities such as schools and city.

OUTCOMES FOR COMMUNITY

- Economic Development Office has heard from several local businesses that lack of housing is a **significant** issue to attracting and retaining employees.
- With 72 lots constructed, project would be the largest single-family housing development proposed in Wooster in several years, and provision and diversity of housing adds to a community's marketability and quality of life.
- Target range of \$175,000 and \$235,000 is represents the most affordable opportunity for market-rate housing. (Area comparable range \$169K to \$190K)
- **Better** than the State as a whole, Wooster's population grow is **DECLINING** and **ANEMIC**. Resident population growth is **critical** for economic growth.

MARKET CONCERNS

- Uniquely in Ohio, communities are **increasingly** incentivizing housing-exclusive development, and incentives may be necessary to remain **competitive** in the current climate enabled by permissive **State policies** over which the local community has no control.
- Wooster has had a **declining number** of single-family home starts in recent year, with only **11** homes constructed in 2019, and **only 3** currently underway in 2020. (An additional 10 condominiums and 54 apartments are under construction.)
- New home construction supports construction jobs. While not directly influencing employment overall, new housing can serve to make housing more accessible.

Development & Revenue Model

Average Development Home Price:	\$200,000
Number of Homes In Development:	72
Portion of Subdivision Built per Year:	15%
City Financing of Incentive:	NO <i>Incentive provided directly by City Budget</i>
Total TIF Revenue first 10 years:	\$714,556
Total TIF Revenue Yrs 11-30:	\$913,541
Lifetime TIF Revenue:	\$1,628,098
Incentive Request:	\$1,014,649
City Net Gain:	\$126,331

			Yr 1	Yr 2	Yr 3	Yr 4	Yr 5	Yr 6	Yr 7	Yr 8	Yr 9	Yr 10		
	<i>Total Homes ></i>		0	11	22	32	43	54	65	72	72	72	First 10 Years	Full Build-Out
	<i>New Homes Added ></i>		0	11	11	11	11	11	11	7	0	0		
			% Build-Out by Year (Editable)										<i>Avg: Developpec</i>	<i>Avg: \$200K</i>
Entitty	Mills	Effective Mills	0%	15%	30%	45%	60%	75%	90%	100%	100%	100%	61.50%	100.00%
County	7.995269	7.03583672	\$0	\$5,319	\$10,638	\$15,957	\$21,276	\$26,595	\$31,915	\$35,461	\$35,461	\$35,461	\$218,083	\$35,461
Wooster City School District	49.10976	43.2165888	\$0	\$32,672	\$65,343	\$98,015	\$130,687	\$163,359	\$196,030	\$217,812	\$217,812	\$217,812	\$1,339,541	\$217,812
Wayne County Schools Career Center	2.489465	2.1907292	\$0	\$1,656	\$3,312	\$4,969	\$6,625	\$8,281	\$9,937	\$11,041	\$11,041	\$11,041	\$67,904	\$11,041
City	4.2	3.696	\$0	\$2,794	\$5,588	\$8,383	\$11,177	\$13,971	\$16,765	\$18,628	\$18,628	\$18,628	\$114,561	\$18,628
Other	0.969139	0.85284232	\$0	\$645	\$1,289	\$1,934	\$2,579	\$3,224	\$3,868	\$4,298	\$4,298	\$4,298	\$26,435	\$4,298
Library	1.131987	0.99614856	\$0	\$753	\$1,506	\$2,259	\$3,012	\$3,765	\$4,519	\$5,021	\$5,021	\$5,021	\$30,877	\$5,021
Annual RE Tax	59.89562	57.9881456	\$0	\$43,839	\$87,678	\$131,517	\$175,356	\$219,195	\$263,034	\$292,260	\$292,260	\$292,260	\$1,797,401	\$292,260

Entitty	Mills	Effective Mills	Effective Exemption	PROJECT YEAR 1-10				PROJECT YEAR 11-30			TOTAL		
				Revenue First 10 Years	Subject to TIF (First 10 Yrs)	Redirected Revenues	Percent Redirected	Revenue Years 11-30	Subject to TIF (Yrs 11-30)	Percent Redirected	Total TIF Lifetime	Total TIF PILOTS	Total Revenue
				County-NO									
County	7.995269	7.03583672	87.50%	\$218,083	\$190,822	\$190,822	88%	\$709,212	\$354,606	50%	\$927,295	\$545,429	\$381,867
Wooster City School District	49.10976	43.2165888	25.00%	\$1,339,541	\$1,004,656	\$334,885	25%	\$4,356,232	\$0	0%	\$5,695,774	\$334,885	\$5,360,888
Wayne County Schools Career Center	2.489465	2.1907292	25.00%	\$67,904	\$50,928	\$16,976	25%	\$220,826	\$0	0%	\$288,729	\$16,976	\$271,753
City	4.2	3.696	100.00%	\$114,561	\$114,561	\$114,561	100%	\$372,557	\$372,557	100%	\$487,118	\$487,118	\$0
Other	0.969139	0.85284232	100.00%	\$26,435	\$26,435	\$26,435	100%	\$85,967	\$85,967	100%	\$112,401	\$112,401	\$0
Library	1.131987	0.99614856	100.00%	\$30,877	\$30,877	\$30,877	100%	\$100,412	\$100,412	100%	\$131,288	\$131,288	\$0
Annual RE Tax	59.89562	57.9881456		\$1,797,401	\$1,418,279	\$714,556		\$5,845,205	\$913,541		\$7,642,606	\$1,628,098	\$6,014,508
						\$1,082,844		\$54,142		\$5,057,994	\$252,900		

Considerations on Development Scenario:

1. Portion of PILOT Revenues may be redirected back to local schools. County has rights to limit its millage exemption to 50% from 100% beyond 75% 10-Year impacts, Schools to 0% beyond 75% for 10-Years.
2. Most local housing developments have built-out over multiple years, with some lots typically remaining available a decade from the project start date.
3. The proposed developer (not committed to date) has a 70-day build per home projection with some components pre-manufactured.
4. There is not a commitment on home prices to be sold, but estimates include a range of \$175,000 to \$235,000 or higher.

\$1,140,980 City overall Gain
\$126,331 City Net Gain

ALTERNATIVES ANALYSIS

Project Recosting and Zoning, a 50% CRA, and \$725K Grant were previously considered

MELROSE FINAL TIF PROPOSAL AND ALTERNATIVE OPTIONS SUMMARY

Economic Development's goal has been to identify solutions to the proposed development's financial challenges while minimizing impacts to local residents (limiting impact to the school district and city revenues, etc.). The project's current proposal is to construct 72 homes at an estimated, but uncommitted, price range of \$175,000 to \$235,000. The base build rate from three local providers is \$150,000 plus lot costs. The developer cites increases in infrastructure construction costs over time as a barrier to making homes attainable. New home construction is generally available between \$169,000 and \$189,000 in the region. In addition to the request is a summary of other alternatives that have been considered by the City and the Project's developers together for this particular project.

TIF ASSISTANCE REQUESTED (\$126K Net or \$508K w/approval)
Direct Grant TIF of \$1,014,659

TIF AS REQUESTED: Figures based on developer's stated numbers and market-rate new housing base prices at conclusion of negotiation. Under steady-growth conditions, with local districts impacted only 25%, **recapture** is probable over **17** years, with approximately \$600,000 collected in proceeding years for maintenance in the District, **a net gain of up to \$126,000** in City revenues (redirected from other entities) between years 17 and 30.

Lot Cost w/o TIF	\$35,069
Lot Cost w/ TIF	\$17,437

Base Home Structure Cost	\$150,000
Base Home w/o TIF	\$185,069
Base Home w/ TIF	\$167,437

Project Costs

Total Project w/o TIF	\$13,325,000
Total Project w/ TIF	\$12,055,471

Project Revenues

Total Rev. 72 homes \$200K	\$14,400,000
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Public Cost - Infrastructure	\$1,014,649
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Project Revenues w/TIF	\$15,414,649
Cost vs. Revenue	\$3,359,178

ALTERNATIVE OPTION 2 (\$415K Net or \$797,846 w/ approval)

Reduced TIF = 10-Year Recapture

Lowering the TIF request to \$715,000 would increase the likelihood PILOTS would generate enough funds to repay the project in **10 years** assuming favorable conditions (See model). This results in a possible PILOT net gain of \$426,000 (redirected from other governments) over years 11 through 30 for road/utility maintenance in the district.

Lot Cost w/o TIF	\$35,069
Lot Cost w/ Reduced TIF	\$25,139

Base Home Structure Cost	\$150,000
Base Home w/o Updates	\$185,069
Base Home w/ Updates	\$175,139

Project Costs

Total Project w/o Hold Harmless	\$13,325,000
Total Project w/ Hold Harmless	\$12,610,000

Project Revenues

Total Rev. 72 homes \$200K	\$14,400,000
----------------------------	--------------

Public Cost - Infrastructure	\$715,000
------------------------------	-----------

Project Revenues w/HH TIF	\$15,115,000
Cost vs. Revenue	\$2,505,000

ALTERNATIVE OPTION 1 (\$0 Net)

Market-Rate Development & Lot Size Adjustment

Figures incorporate market rate (non-prevailing wage) lot infrastructure costs and add additional homes. (Models retail at 50ft-wide lots). This approach provides no additional public costs. There is no residual gain in revenues redirected to the City from other taxing entities as there could be in years 17 through 30 under the final proposal, at the same time the City takes no risk and taxpayers have no expenses in the development's construction.

\$35,069	Lot Cost as Proposed
\$26,714	Lot Cost w/ Updates

\$150,000	Base Home Structure Cost
\$185,069	Base Home w/o Updates
\$176,714	Base Home w/ Updates

Project Costs

\$13,325,000	Total Project w/o Updates
\$13,607,000	Total Project w/ Updates

Project Revenues

\$14,400,000	Total Rev. 72 homes \$200K
--------------	----------------------------

\$0	Public Cost (Savings of \$601,571)
-----	------------------------------------

\$15,400,000	Total Rev. 77 homes \$200K
\$1,793,000	Cost vs. Revenue

ALTERNATIVE OPTION 3 (\$0 Net)

50% CRA* (Legal Concern)

Shown for illustrative purposes only. Project originally requested 50% CRA. In addition to its legal ambiguity, CRA incentives direct impacts would have a higher public cost. **The Developer has since amended the request.** This scenario would double the burden on local schools compared to the TIF proposed, with no residual return for local tax payers.

\$35,069	Lot Cost w/o CRA
Negotiated	Lot Cost w/ CRA

\$150,000	Base Home Structure Cost
\$185,069	Base Home Price
Negotiated	Base Home w/CRA

Project Costs

\$13,325,000	Total Project w/o CRA
Negotiated	Total Project w/ CRA

Project Revenues

\$14,400,000	Total Rev. 72 homes \$200K
--------------	----------------------------

\$1,169,041	Public Cost - Tax Exemption
-------------	-----------------------------

\$15,569,041	Total Rev. 72 homes \$215K
\$2,244,041	Cost vs. Revenue

As Requested:

TIF Need Proposal

# Homes*	72
Avg. Home Price w/TIF	\$200,000

Property Costs

Land Acquisition and Cleanup	\$650,000
Engineering Services	\$75,000
Infrastructure	\$1,800,000
Cost to develop vacant lot:	\$35,069
Total Project	\$2,525,000

Base Price	\$150,000
X 72 homes	\$10,800,000

Total Project	\$13,325,000
Cost to Deliver New Home:	\$185,069

TIF Subsidy Need

Current TIF Request (See 1)	\$1,014,649
TIF Request Per Lot	\$14,092
TIF Need Per Home (See 2)	None
TIF Need for Project (See 2)	\$0

Price Per Home Impacts

Avg. home price without TIF	\$185,069
TIF lowers costs by \$14,092 per lot	\$170,977

Rezoning and Market Rate Development Costing

Alternative - Zoning & Quotes

77	Homes possible w/ 60 -ft, few 55-ft lots, or 82 homes at 5E
\$200,000	(Existing models constructed on lots of 60 to 55 feet)

Property Costs

\$650,000	This is elevated, but within range of area market prices
\$75,000	This is reasonable in the market place
\$1,332,000	Savings \$8K per lot per market rate - New Quotes recommend
\$26,714	With increased density and market rate infrastructure
\$2,057,000	Savings of \$468,000 with measures.

\$150,000	This is the market base price for a new home in our market
\$11,550,000	X 77 homes (increased density)

\$13,607,000	Total Project (Lot developed + Home Built)
\$176,714	Savings of \$8,355 per home with measures.

Using Alternative Measures, No TIF Subsidy

\$1,014,649	Amount Developer has Requested to complete project
\$13,177	Assistance requested per Home
-\$10,108	Actual Need with alternative measures for avg. \$200K home
-\$778,351	Alternative measures would fulfill funding gap by this amount
\$468,000	Amount lot developer would save implementing existing measures

Price Per Home Impacts with Alternative Measures (See 4)

\$176,714	Avg home price with alternative measures (60ft lot) - w/o TIF
\$166,305	Max. allowable avg. home price w/ \$1,014,649 TIF (+ prev

NOTES:

- 1./ This funding is derived through redirecting future real estate tax revenues over the first ten years from local schools (estimated at \$552969), the city's general fund (estimated at \$114562), county budget (estimated at \$334886), and other community entities (estimated at \$57312).
- 2./ Actual TIF Need is the amount of TIF funding, or gap-funding, required to deliver 72 homes at an average price-point of \$200K per home based on the proposed project costs. This is before taking any alternative measures, such as reducing lot sizes and securing market-rate construction services. Effectively, based on the proposed project development costs, the proposed homes could sell at an average price point of \$185070 before TIF assistance.
- 3./ This represents the gap of funding needed to deliver 77 homes at an average price point of \$200000. Effectively, using the proposed Alternative Measures will allow the proposed homes to sell at an average price point of \$189892 before TIF assistance. With a contribution of \$1014649 as requested by the developer, the average home price commitment would need to be \$176715)
- 4./ The alternative minimum shows that homes should average at \$176,714 with alternative measures. The proposed \$1,014,659 TIF would reduce home values by an additional \$10,187, a \$784,380 direct benefit, in addition to covering \$180K to \$220K in labor costs to comply with prevailing wage. The homeowners would effectively save \$7,321 in interest payments over the course of a typical 4%, 30-year mortgage.) This presents an opportunity for the TIF proceeds to be fully captured by local businesses and parties. Prevailing wage assumes 16% project cost - this is a general estimate - Prevailing wage generally adds 33% to labor costs while material costs remain unchanged.



Public Subsidy Incentives for Housing



Local incentives support projects that benefit the community that would not occur without public funding.

CRA COMMUNITY REINVESTMENT AREA

Lowers taxes to increase Buying Power
CRA increases homeowner's "buying power" by lowering taxes to use for increased principal/interest.

Meant to encourage reinvestment and infill development. Developer can use CRA to increase buying power +20% while keeping monthly payments the same. (Timeline: 30 days in existing CRA, or 90 to 180 days to establish a new CRA).

Where = Areas of disinvestment. Reserved for areas where new housing construction and repair of existing facilities or structures are discouraged. ORC 3735.65(B).



Funds = Percentage of Future Taxes/Sales. Developer applies for a percentage of tax exemption on new homes, and captures CRA benefits as homes are sold. (Buyers' monthly payments remain the same, with taxes traded for higher interest/principal payments)

Why? = More Expensive & Risky. It is costlier to rehabilitate older structures than to build new, and costlier/riskier to build in areas with disinvestment or blight than in greenfield locations. (i.e. demolition, rehabilitation, environmental, and other costs.) CRA increases buying power so Developers can better recover their costs.



Based on a percent of future taxes.

How to Apply = Developers/homeowners make an application for tax abatement with proof of their costs. (Allow 30 days, of 90 to 180 days to determine if a CRA may legally be established in a locale). Terms are pre-determined in advance. Usually, CRA is designed to attract residential projects rather than to respond to an existing proposal.

Risks = Marketing, Estimating. Developers have to sell homes based on monthly payments, which can be more complicated. Some buyers later struggle to cover costs after CRA exemptions end.



TIF TAX INCREMENTAL FINANCING

Direct Cash GRANT for actual costs
May be used to directly reduce prices for homes.

TIF can help fund new housing that communities need or desire when the market can't support it on its own. Developer receives a grant to cover a part of their estimated construction costs. (Timeline: Little as 45 days)

Where = Anywhere (Ohio only). A public TIF grant can be extended to any residential development in Ohio, including green-fields as well as urban infill projects.



Funds = Dollar Amount. Developers receive a reimbursement agreement for a specific dollar amount for part of their public infrastructure costs, which often adds up to 20% of the total project cost.

Why? = Lack of Market Support
Public infrastructure costs such as roads, streetscape, parking garages, and sewer lift-stations can make quality and inventive residential projects too costly to execute in certain markets. TIF provides aid to a known project with measurable impacts.



Based on actual estimated costs

How to Apply = Developer / landowner petition City with specific dollar amount of funding needed to enable the project to move forward (i.e. \$350,000 for a public lift-station). Project need is validated and if approved, City extends a reimbursement agreement and then creates a special district containing the project site. Developer receives cash payments per a negotiated agreement (reimbursement).

Risks = Completing Project, Pay Period. While the grant amount is set, it is paid annually over a period of years. New homes must increase tax valuation as planned.



DRAFT ECONOMIC DEVELOPMENT PLAN

5709.40(C) requires that the creation of a TIF Incentive District be supported by an Engineer's certification that public infrastructure within the proposed district is insufficient to support the proposed development, and an Economic Development Plan.

This DRAFT SAMPLE document provides a model to meet the documentation requirements. A finalized version of the documentation would be adopted upon the creation of a TIF Incentive District.

City of Wooster

ECONOMIC DEVELOPMENT PLAN

Melrose Tax Incremental Financing Incentive District

_____ 2020

Prepared by:

City of Wooster

Department of Community
Service and Development
538 N. Market Street
Wooster, Ohio 44691

Contact: Jonathan Millea
Phone: 330.263.5250

At the Request of:

North (Name Pending)
Development Ltd.

1130 Riffel Road
Wooster, Ohio 44691



Incentive District Proposal - ORC 5709.40(C)

2020 Melrose Subdivision Project

Consideration for Recommendations Include:

- *In most cases, it will be appropriate to establish a 100%, 30-Year TIF to generate funds to finance initial construction and then long-term repair of infrastructure.*
 - *PILOT revenues may be spent on public infrastructure only, or be redirected back to partner local governments (taxing entities.)*
 - *School Districts and County governments may vote to reduce the level of their effective revenue impacts for terms in excess of 75% and 10 years.*
- *What's the net value of redirected revenues in relation to project costs?*
 - *School District and City millage revenue serve the local taxpayer already. Revenue from other districts serves to guarantee a return of local funds.*
- *If being provided as a direct grant to on-site infrastructure:*
 - *How does the project advance the public's interest?*
 - *What are the guarantees that the project will be developed as proposed, and that the development will generate sufficient PILOTs?*
 - *Is expenditure of public funds appropriate to bring about the particular development in relation to its community benefits? (i.e. job creation that will generate long-term revenues to repay the initial investment? Advancement of a public cause such as affordable housing or other qualitative community development goal?)*
 - *Is there a compelling need for the incentive and is the amount granted the minimum necessary to move the project forward?*
 - *Is the development local population-driven? If so, does providing an incentive disadvantage other businesses performing the same type of service? Or unfairly disadvantages other taxpayers?*
 - *Would the level of incentives create an undue risk to City finances or burden to partner governments in reducing future revenues?*
 - *Absent of an incentive, is it reasonable to assume that a comparable development will occur within a reasonable timeframe? Either at the project location of elsewhere in the City?*

TO DETERMINE: TIF Incentive District Financial Impacts

FINAL Financial Model

- *General development assumptions and schedule defined.*
- *Development Revenue Projections*
 - *Development Valuation and PILOT revenue*
 - *Redirected PILOT revenue by District*
- *Project Expenditures*
 - *Cost of public infrastructure construction*
 - *Return of PILOTs to impacted districts (i.e. schools, County, etc.)*
 - *Cost of public infrastructure maintenance*

Attachments

Please reference the following for additional details about this the proposed project:

- **City of Wooster Engineer's Certification and Cost Estimate**
- **Vicinity Maps demonstrating Existing Conditions**
- **Application and TIF Request Affirmation with Subdivision Plan**



Robert F. Breneman, Mayor

CITY OF WOOSTER

538 N. Market Street
P.O. Box 1128
Wooster, Ohio 44691-7082

City Engineer
Phone:
Fax: (330) 263-5247
Email:

DRAFT SAMPLE DOCUMENT

_____, 2020

Jonathan Millea
Economic and Community Development Coordinator
City of Wooster
538 N. Market Street
Wooster, Ohio 44691

Regarding: Engineer's Certification of Inadequate Existing Public Infrastructure at Proposed Melrose TIF Incentive District Site To Meet Demand of 72 Residential Single-Family Homes.

Dear Mr. Millea,

This letter is being provided to certify that the public infrastructure serving the to-be-proposed tax incentive district tax increment financing (Incentive District TIF) area along Melrose Drive and including Mel Lane is inadequate to meet the development needs of the district. Specifically, the district lacks adequate residential roadway, public utility water service, public utility sewer service, and public storm water infrastructure as would be necessary to accommodate the proposed construction of 72 single-family unattached homes. Therefore, the current public infrastructure in place is inadequate to support the proposed development.

Our Department understands that the City is contemplating the creation of an Incentive District TIF enclosed by a continuous boundary and incorporating Wayne County parcels 71-00250.000 and 71-00250.000 along with the City's existing Rights-of-Way along Melrose Drive and its intersection with Smithville-Western and Mel Lane.

Pursuant to Ohio Revised Code §5709.40(A)(5)(f), and in my role as the City's Engineer, I am certifying that the public roadway, sanitary sewer, public water, and storm sewer infrastructure - as it exists today - is inadequate to serve the proposed 72 residential homes within the planned for the TIF District, specifically within Wayne County 71-00250.000 and 71-00250.000 which presently serve as an agricultural field with a barn and homestead. Such infrastructure will be required if the site is to accommodate the volume and density of homes proposed.

Sincerely,

Site Conditions

As proposed, the Melrose Subdivision TIF District would incorporate Wayne County Parcels 71-00250.000 (14.87 acres) and 71-00251.000 (7.001 acres), measuring a total of 27.871 acres, in addition to current City-owned public right of way along Melrose Drive and its intersection with Smithville-Western and also Mel Lane. With exception to a single-family home constructed in 1900 and a large barn, the site is generally considered greenfield and its historic use has been farmland. The site gently slopes downward from an elevation of 1,154 feet at its western boundary to 1,108 feet at the edge of Melrose Drive, a general overall slope of approximately 3.6%.

FIGURE 2

Wayne County Auditor's Map (PPN 71-00250.000 and 71-00251.001 outlined in yellow.)



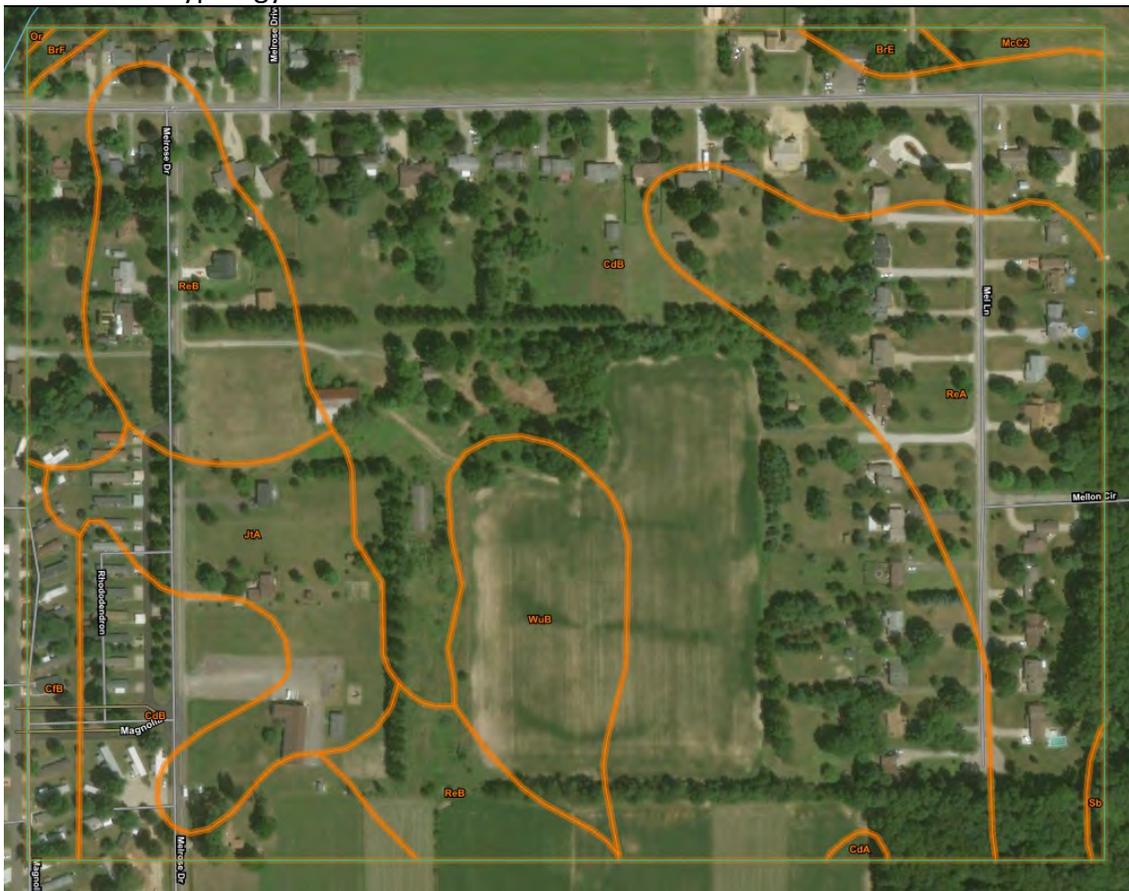
Source: Wayne County Auditor, 2020 (<https://wayne.oh.bhamaps.com/>)

On cursory analysis, soil classifications (see **Figure 3**) demonstrate some limitations with road developments and home construction related to depths to saturation zones and cemented pans. This indicates a need for a design that incorporates site drainage, which would be enabled with proper road and stormwater design. The site's steady and consistent slope is favorable to enabling drainage.

Given that Mel Lane and Melrose Drive support the development, improvements may be necessary along the existing roadways in the future to properly serve the subdivision and are included for this reason. Revenues collected over time in a TIF account could support such maintenance. The site's property owners, Carl A. Yacapraro and Mildred E. Yacapraro, have submitted an affirmation to the City of Wooster requesting the

establishment of a TIF District for the their property, which is under an option to purchase by the land development firm. Real estate taxes are current and being used as a single-family residence as well as a farm receiving credit for its Current Agricultural Use Value, the property generates \$3,255.61 in tax revenue annually. (Improvements would be cleared upon transfer of the land.) Presently zoned R-1 which requires minimum lot widths of 70 feet, the site would require rezoning to support 72 homes, which require lot widths closer to 60 feet in most cases. With R-5 zoning immediately across the street to the west, and R-1 to the north and east, R-2 zoning would provide a buffer between the two with its moderate single-family home density.

FIGURE 3
General Soil Typology



Source: USDA Soil Survey
(<https://websoilsurvey.sc.egov.usda.gov/App/WebSoilSurvey.aspx>)
CdB = Canfield silt loam, 2 to 6 percent slopes;
JtA = Jimtown loam, 0 to 2 percent slopes;
Re= Ravenna silt loam, 0 to 2 percent slopes;
ReB = Ravenna silt loam, 2 to 6 percent slopes;
WuB = Wooster-Riddles silt loams, 2 to 6 percent slopes.

Proposed Real Estate Development Description:

The proposed project would establish up to **72 residential lots** with public utilities. Frontage widths would vary, with most around a minimum of 60 feet. This provision requires a rezoning of the site from R-1 to R-2 as lot widths would be under 70 feet. The lots would be built and sold to Ryan Homes for the development of its Simply Ryan branded homes, a low-cost line featuring 3 and 4 bedroom homes ranging in size from 1,440 to 2,200 in square feet. Most homes extend no more than 35 feet in width and fit comfortably on lots as narrow as 50 feet. The firm's projected sale price is **\$175,000 to \$235,000**. While not considered affordable (attainable by low-to-moderate income households, 45.3% of Wooster's population falls in this category), the price range does represent the lowest level of cost for new home construction opportunities.

The project is compatible with the City of Wooster's 2014 Comprehensive Plan, and the City's 2015 market study which identified a demand for new housing units in the community. (Since that time, employment has grown while new housing opportunities have been limited, particularly in the single-family unattached housing market.) The project also meets the aspirations of the Wayne County (Wayne Onward) Comprehensive Plan in that it accommodates the region's growing base of households in a manner that conserves land, whereas without utilities 72 homes would demand a minimum of 216 acres, increasing costs for homeowners and local governments.

Project Revenue Assumptions:

Assuming 72 homes valued at \$200,000 each, the proposed project represents a \$14,400,000 improvement to the site. Though millages are lower for residential and agricultural uses, single-family homes average the highest valuation per square foot. Under projected millage rates (59.89562, effectively 57.9881456 assuming rollback credits and owner-occupancy credit), the project would be expected command approximately \$292,260 in real estate tax revenue annually at full build-out.

The revenues may be offset somewhat by the additional expenses related to serving additional households, including the cost of education. At the same time, an increase in the local population results in higher demand of local consumer-based businesses, such as retailers. Enabling growth in local population generally supports the growth of local economy. Housing in and of itself, however, should not be expected to increase population growth (which is more a function of primary-sector job growth), but rather viewed as a means to accommodate growth in a manner that efficiently utilizes civic resources and supports the local tax base.

On Housing Demand Generally

The City of Wooster's Economic Development Office has received mixed reports from local employers on the community's housing market. Some local firms have reported that the lack of affordable housing has negatively impacted their ability to recruit and retain staff, with others expressing that housing is not a concern at all and instead point to transportation, community amenities, and infrastructure as growth challenges.

Local data is also mixed. Wooster’s growth as a City is superior to state averages, a reversal in trends from twenty years ago. At the same time, the rate of population growth has declined significantly, dipping into margins of error that accommodate net losses. (In actuality, the State’s growth rate has declined faster than Wooster’s.) The average household size (number of people) has also been shrinking while average home footprints have grown.

The greater Wayne County market has averaged 20% stronger per capita for housing starts than the greater Northeast Ohio average, with 1,001 new units constructed between 2013 and 2018. Of this total, 292 new housing units were built in the City of Wooster, proportionally performing stronger than the County average (See **Figure 4**).

Most of these gains have been in apartment construction, whereas single-family housing (See **Figure 5**) has been a much smaller component, with 124 homes constructed total. The City’s Development and Planning and Zoning offices have been engaged with several unrelated prospective housing projects, however the Melrose Subdivision Proposal is the most advanced in its stage of planning.

FIGURE 4
Housing Unit Starts (Inclusive of condominiums and apartments)

- US CENSUS BUILDING PERMITS SURVEY

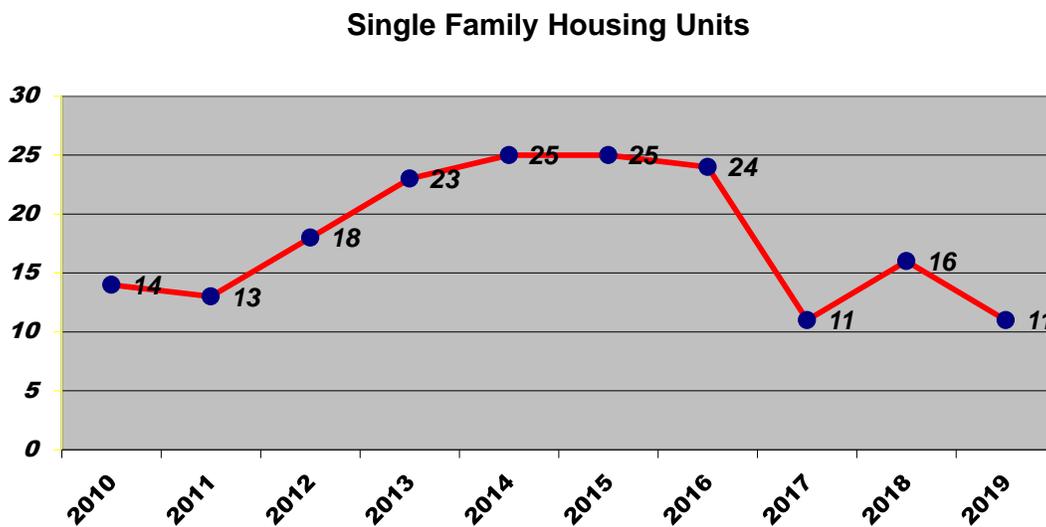
Region Counties <i>Ranked by # of 6yr new units per 10K Pop.</i>	2018				Past 6 Years			
	% of all new units	% Pop. of region	Total New Units Built	Total Pop.	% of all new units	Avg. Unit / 10K Pop.	6 Yr Total Units	Pop. Est. 6 Yr Change
1. Medina County	11.6%	4.3%	587	179,146	13.5%	206	3,691	+4,522
2. Lorain County	18.8%	7.4%	946	309,461	16.1%	142	4,409	+6,374
3. Knox County	2.6%	1.5%	133	61,893	2.7%	120	741	+1,037
4. Portage County	7.2%	3.9%	364	162,927	5.8%	97	1,586	+1,236
5. Lake County	8.1%	5.5%	409	230,514	7.9%	93	2,154	+434
6. Geauga County	2.9%	2.2%	147	94,031	3.2%	93	878	+173
7. Wayne County	4.8%	2.8%	241	115,967	3.9%	91.5	1,061	+570
<i>Wooster to Wayne Co.</i>	<i>14.1%</i>	<i>23.0%</i>	<i>34</i>	<i>26,618</i>	<i>27.5%</i>	<i>109.7</i>	<i>292</i>	<i>+356</i>
8. Stark County	8.2%	8.9%	412	371,574	9.5%	70	2,613	-3,534
9. Summit County	12.8%	12.9%	647	541,918	12.3%	62	3,373	-16
10. Ashland County	1.1%	1.3%	54	53,745	1.0%	49	266	+593
11. Ashtabula County	1.8%	2.3%	92	97,493	1.6%	45	442	-2,239
12. Tuscarawas County	1.0%	2.2%	48	92,176	1.4%	40	372	-434
13. Mahoning County	3.2%	5.5%	162	229,642	3.1%	37	854	-4,745
14. Cuyahoga County	12.8%	29.7%	644	1,243,857	14.6%	32	3,998	-21,621
15. Richland County	1.2%	2.9%	61	121,099	1.4%	31	378	-1,211
16. Trumbull County	1.7%	4.9%	86	206,328	1.9%	25	514	+7,701
17. Holmes County	0.0%	1.0%	1	43,892	0.1%	5	22	+290
18. Coshocton County	0.1%	0.9%	7	36,629	0.1%	5	18	-93
All Region Counties	100.0%	100.0%	5,041	4,192,292	100.0%	1,247	27,370	-10,963

Source: City of Wooster utilizing US Census Bureau Permits data and City of Wooster Planning Department data.

At the time of publication, **54 apartment units, 10 new townhomes, and 2 single-family homes** are under construction within City limits.

Owing to recent demand, is that after years of market stagnation, Wooster’s very low rents and home prices have experienced robust growth in the last few years, a healthy sign of local economic growth and to be expected with the resurgence of local industry. Increasing housing costs put pressure on wages, and in extreme cases may impact a company’s decision to locate expansions to areas with lower costs of living. While the market is changing, Wooster’s cost of living remains lower than Ohio’s average, as do its wages. This suggests that Wooster continues to provide a strong value to employers. The same dynamic has increased the level of interest in the city from out-of-area developers.

FIGURE 5
City of Wooster Single-Family Housing Starts



Source: City of Wooster Building Department

Housing construction is a function of primary job creation and wage growth. Part of the economic multiplier effect with incentivizing primary job-creating industry is the follow-on investments made in expanding retail and housing. Wayne County climbed above pre-recession job levels within the last two years and encountered a period of very low unemployment in a region where labor force in a 60-minute drive numbers 1.658M (JobsOhio). The housing market, with some lag, traditionally responds to increases in job creation over time, with demand growing in the time between.

Not factored with these figures are impacts from the COVID-19 pandemic which has drastically impacted the local, state, and national economies, which has placed some pressure on the construction industry. Wayne County unemployment grew from approximately 3.6% in February to 11.8% by April, compared with a national unemployment rate of 14.7%. Nationally, rates declined significantly through May and recovery is anticipated to continue as the State government has permitted a restart of most industries with some restrictions, but the strength and speed of such recovery remains uncertain. Compounding concerns are conditions globally, with most nations

continuing to impose significant restrictions on business and access. Wayne County's economy, particularly its manufacturing sector, is highly connected to global conditions. It can be hoped that local demand for housing will strengthen in the future. Long-term, the provision of new housing will continue to be a need in Wooster.

Applicability of TIF Incentive District Generally

Tax Incremental Financing (TIF) has traditionally been utilized in Ohio and other states to support the development of public infrastructure to assist developers in delivering job-creating industrial and commercial projects. TIF redirects a property owner's tax dollar obligations that would otherwise go to schools and local government to pay for roads and other infrastructure that the developer would normally have covered.

Over the last two years, some Ohio cities have begun extending TIF incentives (ORC 5709.40(C) to exclusively residential projects to encourage affordable housing, more attainable home ownership price points (\$160K – \$190K in some communities for single-family), to increase or sometimes decrease housing densities (smaller/larger lot sizes, etc.), establish new housing opportunities in general to support local industry, and to encourage specific types of architectural aesthetics. Communities have used TIF to redirect tax dollars from other jurisdictions to create revenue streams to support public projects that have a connection to new residential developments, or to fund the developer's on-site public infrastructure, or sometimes both. While most of the infrastructure is constructed at the start of a project, TIF funds may also be committed to long-term road maintenance or replacement over the course of 30 years.

Similar to real estate tax abatements, such as Ohio's Community Reinvestment Area (CRA) as well as Enterprise Zone (EZ) programs, the TIF process exempts a percentage of value resulting from new construction from tax. However, TIF commits the tax savings to solely paying for public infrastructure costs. When a site is part of a TIF District, the county auditor issues an assessable bill to the property owner(s) in the amount of the tax exemption with their tax bill, known as a "Payment in lieu of taxes" or PILOT. A TIF may allow conversion up to 100% of a property's increased taxes to PILOTs for 30 years, though an effective 75% for 10 years is more typical. The county auditor places the PILOTs into a special fund which may be accessed by either a municipality, developer, or a financial institution that lends against the future anticipated PILOT payments.

The stream of long-term revenue created by PILOTs must be utilized to pay back the cost of public infrastructure investment occurring in a specific location, or even be collateralized to obtain financing for construction. Ohio is one of the few states in the nation where residential TIF projects do not have to prove blight, and the level of incentives provided have ranged from partially funding off-site infrastructure improvements to covering the cost of on-site roads and utilities. Proposals have sometimes been controversial with some communities ultimately rejecting TIF requests, while others have received unanimous approval.

While the City will accept and agree to maintain infrastructure built to code, the creation of on-site public infrastructure is typically the responsibility of the developer so as not to place taxpayer funds and resources at risk. Additionally, existing property owners have in the past accommodated similar costs in the past without public assistance, as reflected in the valuation of the property on which they are taxed. There are times when incentives to housing may still assist developers while provide a return on investment for the general public by redirected tax dollars to projects that address a public project, such as the provision of affordable housing, road reconstruction or intersection improvements. This makes TIF a valuable economic and community development in select circumstances.

Applicability of TIF Incentive District for Melrose Subdivision

Increasingly, Ohio communities have been offering incentives to greenfield residential development projects to encourage new building to combat elevated construction costs. Rural communities, with lower costs of living, are additionally challenged with lower wage rates that minimize buying power, market data is limited, and mobilization costs are higher in comparison to heavily urbanized markets. While Wooster is relatively close to major markets, data and capacity for higher rents and purchase prices have proven somewhat problematic. At time of publication, City departments continue to collaborate with housing developers considering sites and projects within the City. **Figure 6** below shares an overview of feedback obtained over the last year.

The City of Wooster received inquiry about incentives for the Melrose Subdivision Project over the past year. A variety of options have been considered, with the development firm determining that direct support for infrastructure costs would be necessary to move forward with the project. Tax Incremental Financing, under Ohio's unique laws, provides a legal pathway for cities to grant such assistance in a tailored manner and, in favorable conditions, offset maintenance costs long-term to provide city taxpayers with a net savings.

Outside of utilizing TIF to generate revenue for infrastructure upgrades and maintenance (enabling the City to save capital improvement funds for other projects and maximizing the use of locally-generated real estate taxes), TIF enables communities to provide direct grants to developers, or to cover the cost of performing infrastructure improvements itself. In such instances, incentives should be weighed in relation to the actual additional benefits created with the provision of public funds. Additionally, the "But for" provision is a basic economic principal that public tax subsidy should only be dedicated to projects that would benefit the community if the development cannot occur on its own. Typically, public subsidy is needed to allow projects to overcome market conditions, risks associated with blight, creating "export-oriented" jobs, or higher costs of building urban infill. Communities must generally determine that 1.) the project benefits the community; and 2.) the project cannot move forward without the public benefit. Should incentives be required to help a project to move forward, TIF provides an option to tailor public buy-in to the extent needed.

FIGURE 6

Anecdotes Shared by Developers

What we have heard so far . . .

Developers Are Not Building In Wooster Because . . .

Landowners want too much for their land

We want to see other developers build successfully before we invest.

There is not enough data to show housing would be successful unlike urban markets.

Infrastructure costs are high in certain areas

Wooster’s market data suggests lower rents are needed

It’s difficult to mobilize construction services in rural communities.

Other communities offer incentives, which makes it easier to attract investors.

Developers Are Interested in Building in Wooster Because . . .

We’re looking at Wooster because urban markets are getting too expensive.

Bigger markets have too much red tape and it now takes two to three years for a zoning change.

We see that other developers have succeeded here.

The housing inventory is very low and demand is high.

Wooster is a nice community with nice amenities

We are finding strong demand after building in small communities when the data suggests otherwise, so we’re looking at smaller communities.

Note: Economic Development, Planning, and Building staff routinely meet with area and regional developers expressing interest in development. The comments above were shared over the last year from housing developers, usually in the context of asking about available sites.

Vicinity Images



View from City Right-of-Way to northeast of site



View from City Right-of-Way to southwest of site



View from City Right-of-Way to center



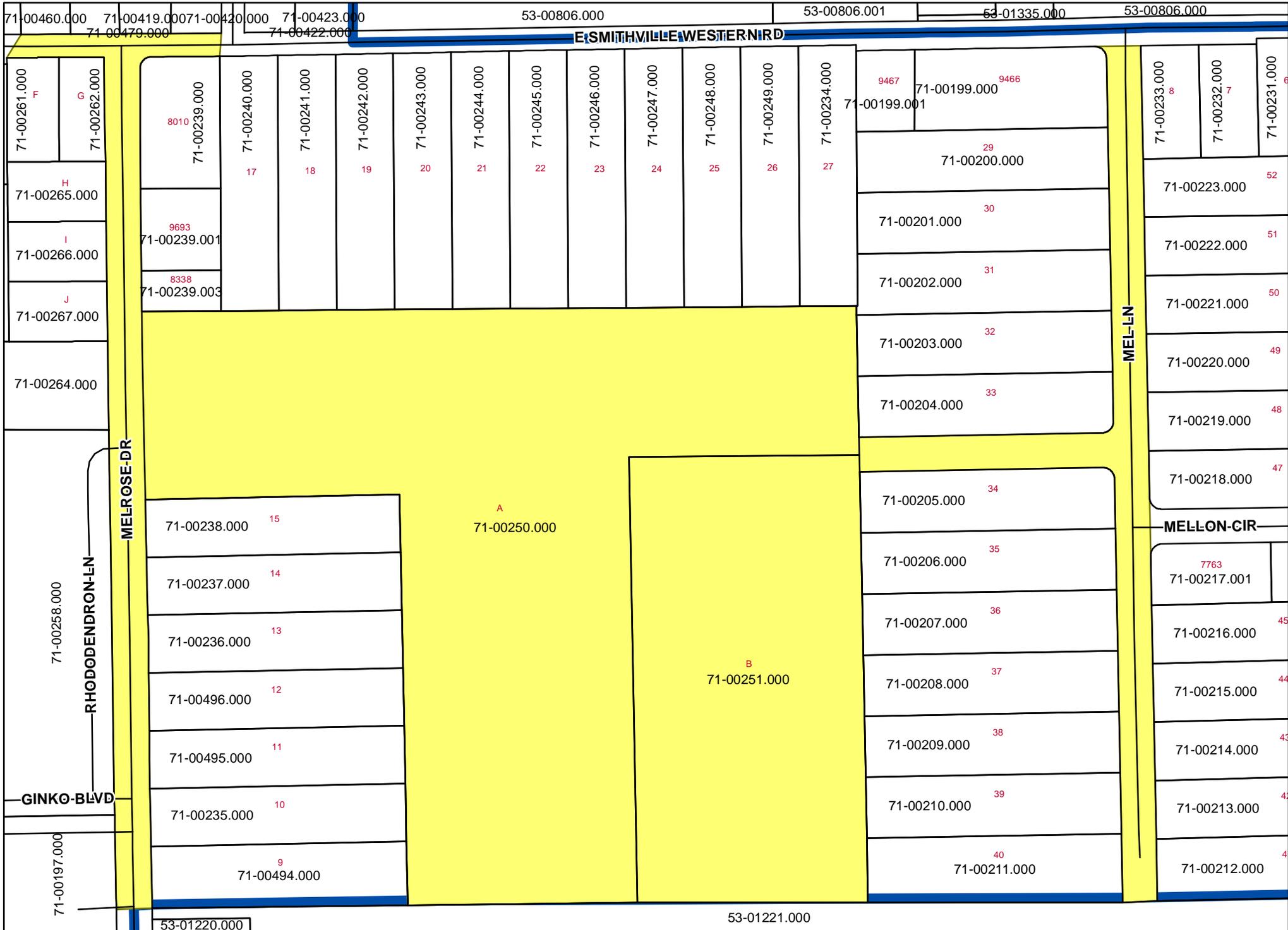
View from City Right-of-Way to site current entrance to east.

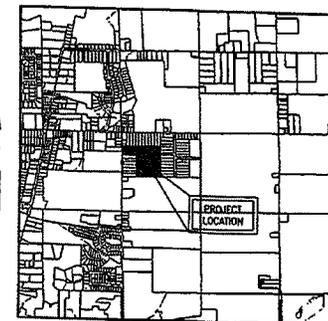
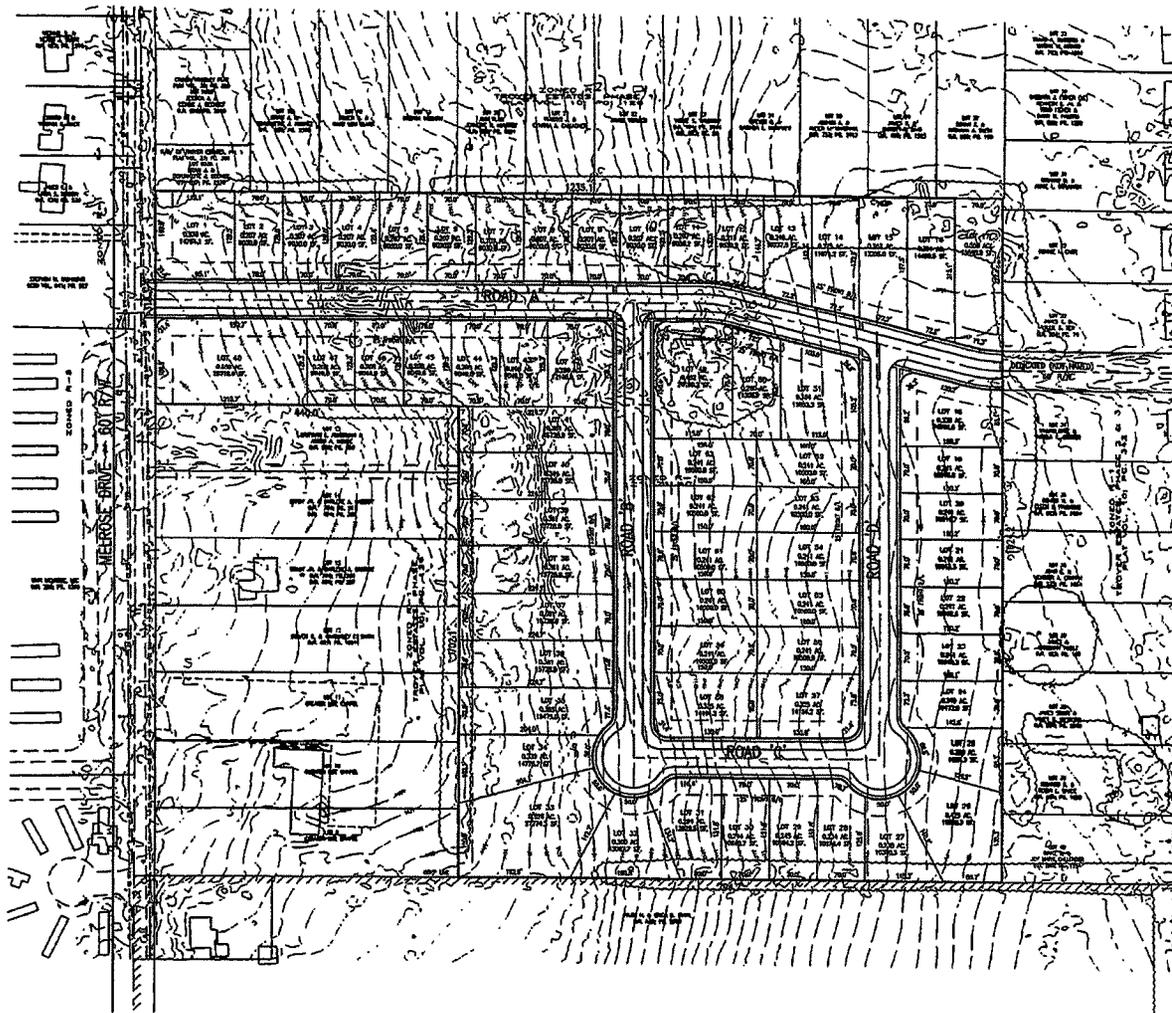


View from City Right-of-Way to west, along unimproved right-of-way's connection to the proposed housing development.

###

Proposed TIF Incentive District for Melrose Subdivision





LOCATION MAP

PRELIMINARY SUBDIVISION
 CITY OF WOOSTER
 T-16N ; R-13W
 N.W. QTR. SEC. 23
 WAYNE COUNTY, OHIO

PROP. 63 LOTS



ZONING ORDINANCE R-1

- MIN. LOT AREA..... 6,700 SF.
- MIN. LOT WIDTH AT BUILDING LINE (1)..... 30 FT.
- MIN. LOT FRONTAGE ON CAL-DE-SEC LOTS (1)..... 50 FT.
- MIN. FRONT YARD BUILDING SETBACK..... 25 FT.
- MIN. SIDE YARD BUILDING SETBACK..... 5 FT.
- TOTAL OF BOTH SIDES..... 15 FT.
- MIN. REAR YARD BUILDING SETBACK..... 20 FT.
- MAX. LOT COVERAGE BY BUILDINGS (2)..... 30% OR 2,300 SF. WHICHEVER IS GREATER
- MIN. BUILDING HEIGHT..... 16 FT.

NOTES:
 (1) The minimum lot width at the building line shall also be the minimum lot coverage for all lots except rear-lot-area lots, which shall comply with the minimum lot coverage at the building line and the minimum lot frontage for rear-lot-area lots as established in the table below.
 (2) See Section 1112.02(B) for building coverage of accessory uses.

REVISION NO.	DATE	SHAPPER, JOHNSTON, LICHTENWALTER & ASSOCIATES, INC. Consulting Engineers & Surveyors 3997 WOODBURN AVENUE WOOSTER, OHIO 44691
PROPOSED LAYOUT PLAN BAKER PROPERTIES MELROSE DRIVE WOOSTER, OHIO 44691		SHEET NO. 08-2535 JOB NO. EP-2535 DATE: 8/22/2014 SHEET # 2
PRELIMINARY PLAN		

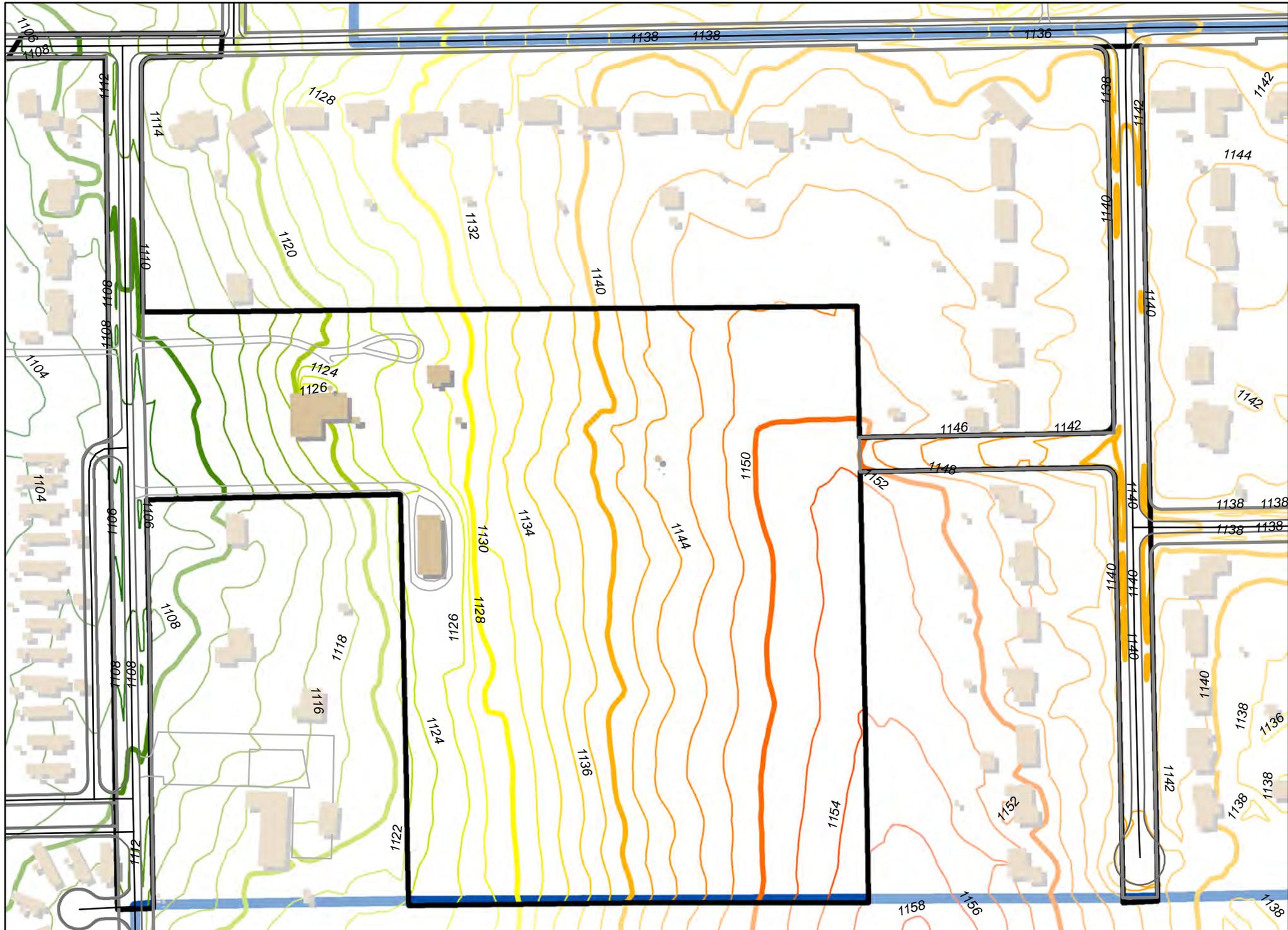
Proposed TIF Incentive District for Melrose Subdivision



LAND USE (Aerial 2018)
5/2020 - City of Wooster Economic Development



Proposed TIF Incentive District for Melrose Subdivision

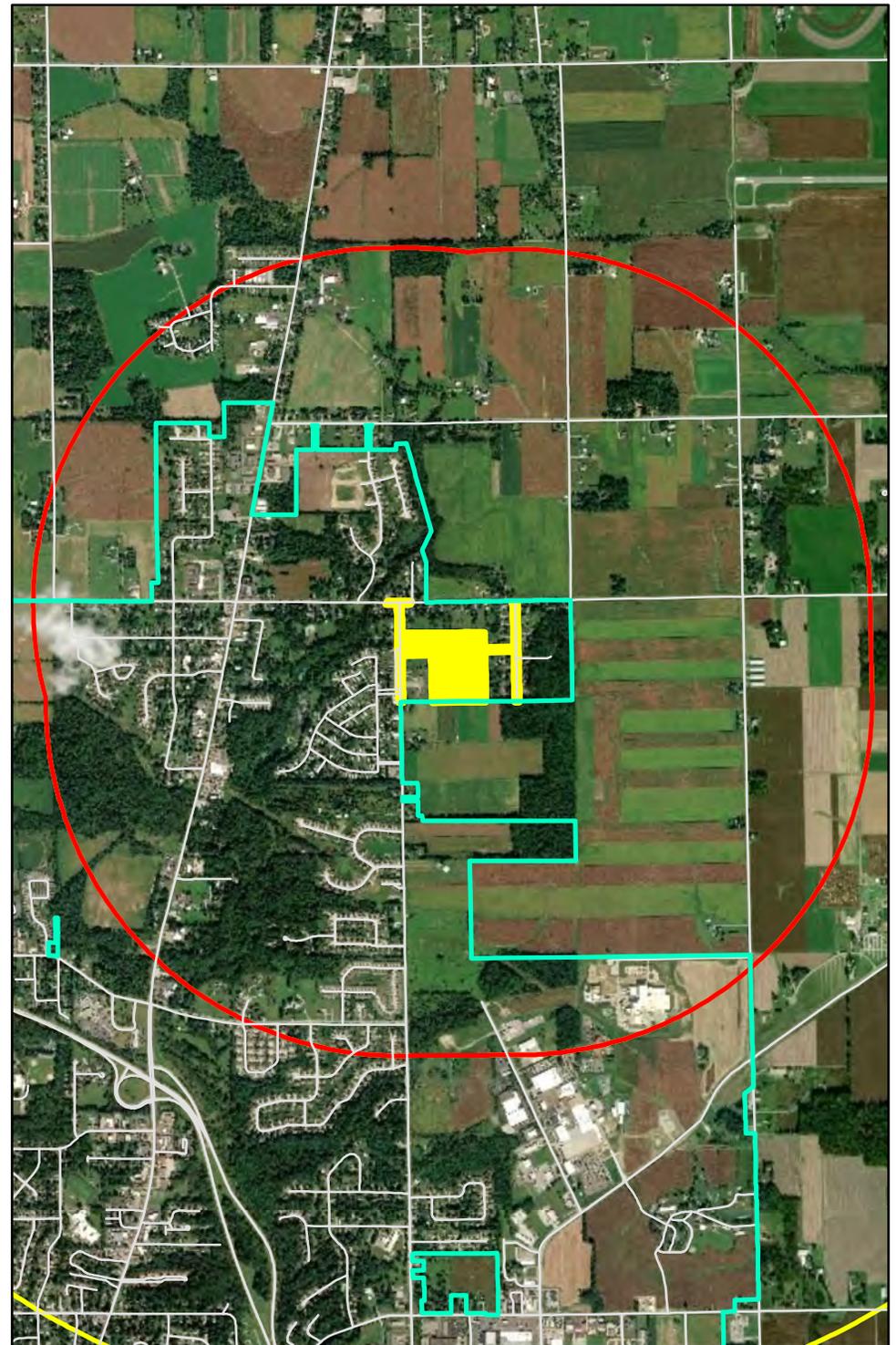
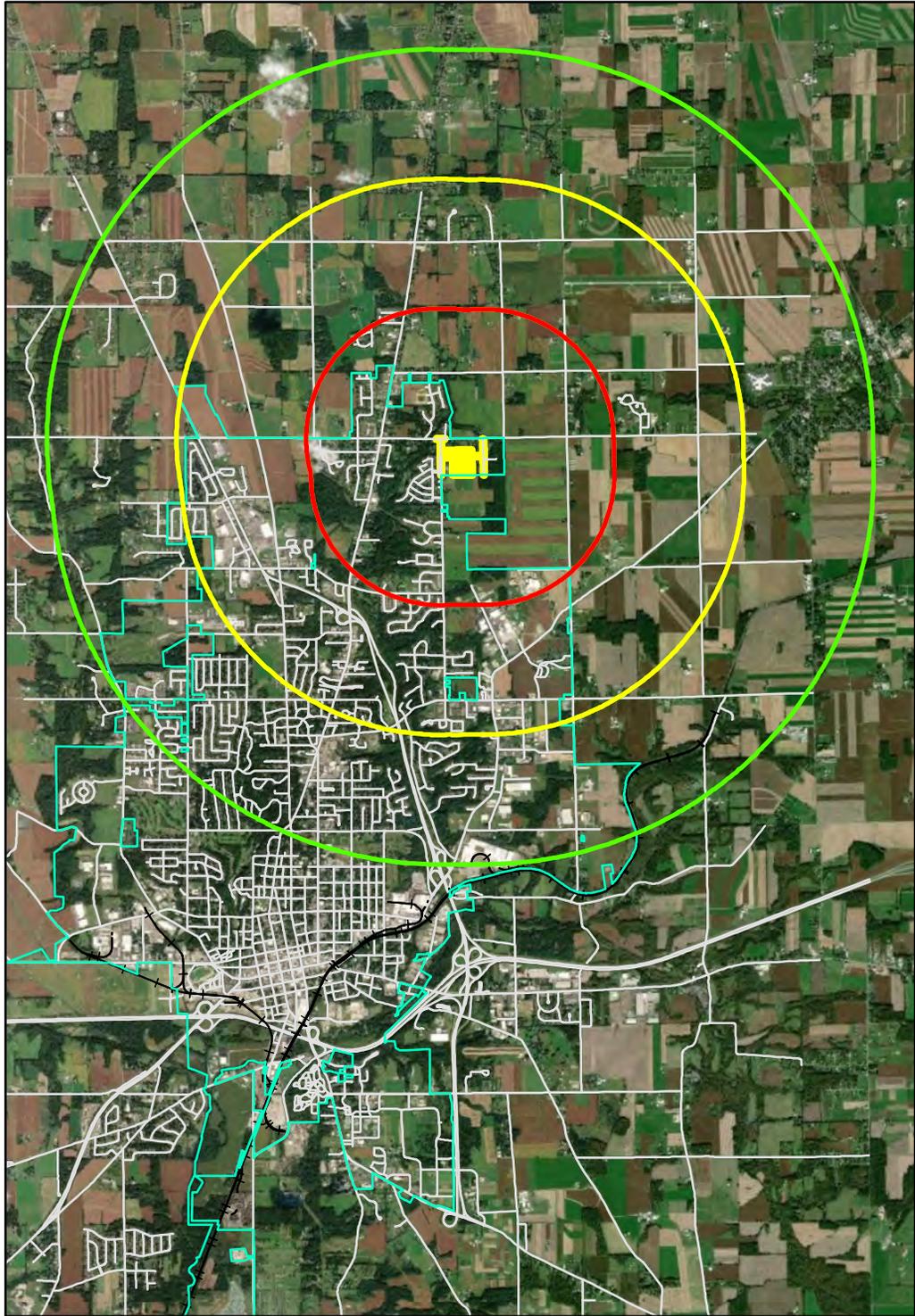


SITE ELEVATIONS (2-ft Contours, overall slope ~3.6%)
5/2020 - City of Wooster Economic Development

 TIF_District

0 62.5 125 250 375 500 Feet

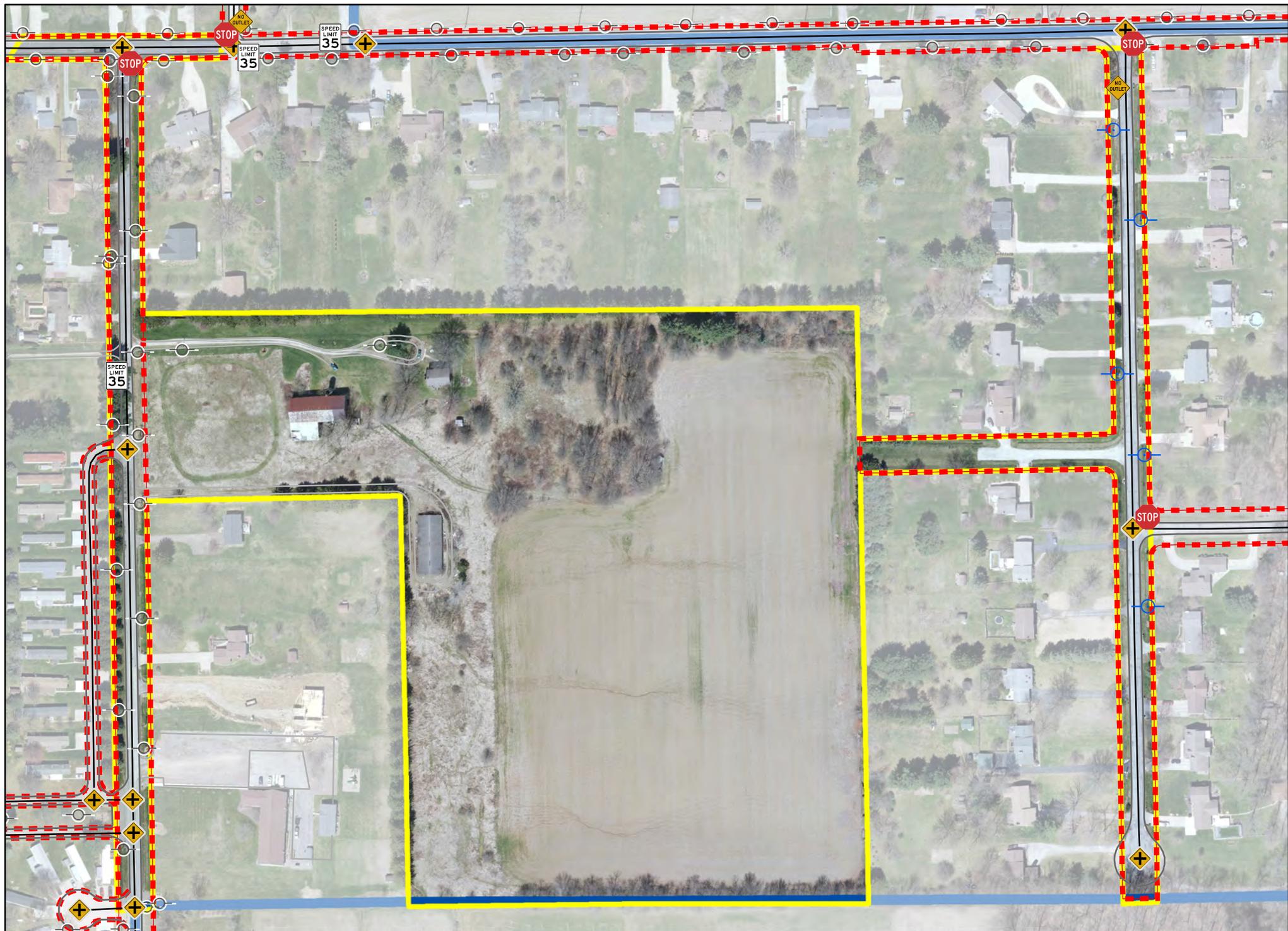
Proposed TIF Incentive District for Melrose Subdivision



DISTRICT LOCATION & VICINITY
5/2020 - City of Wooster Economic Development

 1-Mile  2-Mile  3-Mile

Proposed TIF Incentive District for Melrose Subdivision

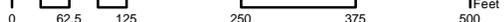


STREET INFRASTRUCTURE
5/2020 - City of Wooster Economic Development

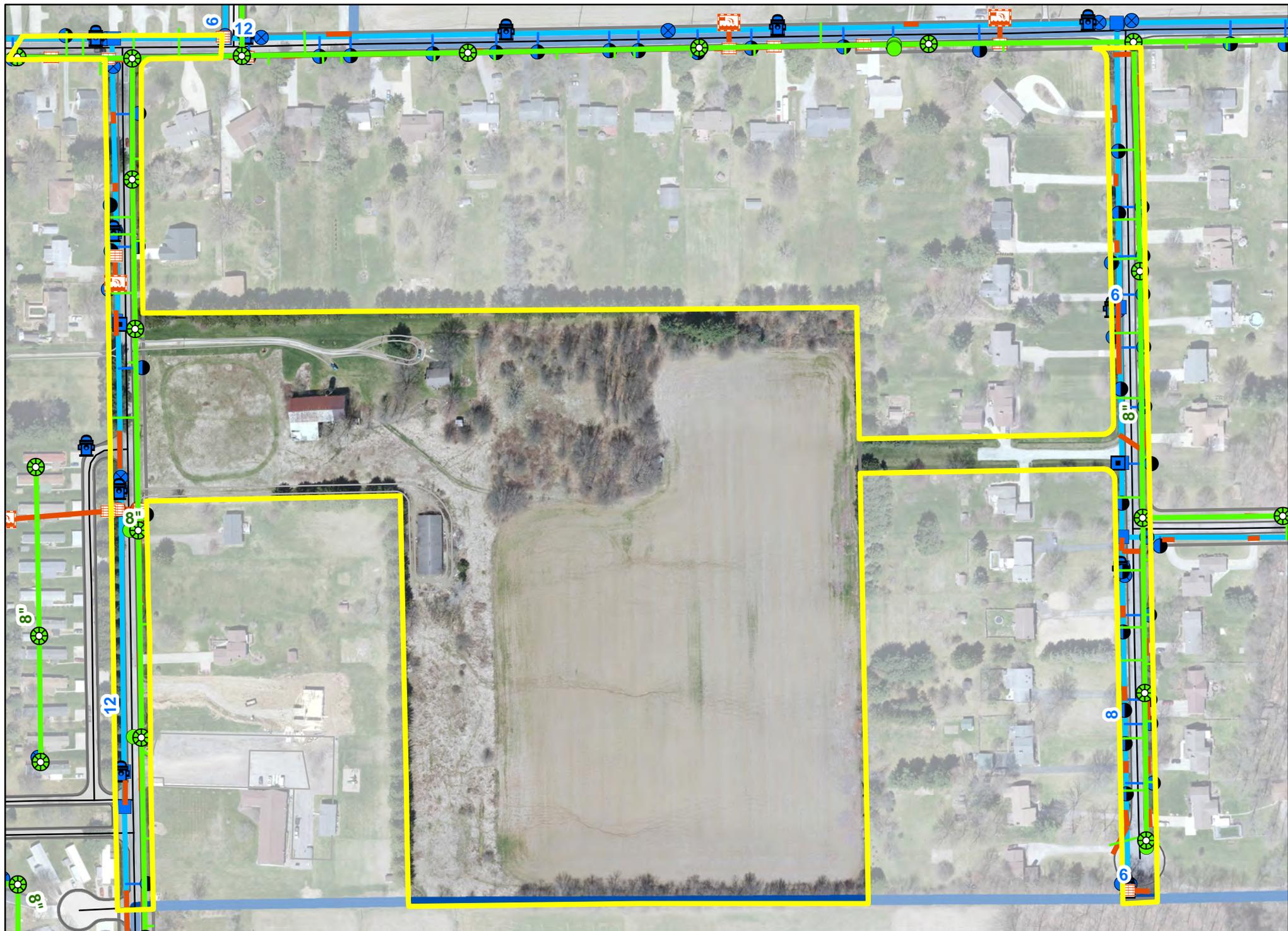
 Pole Streetlight

 Pole Other

 Street ROW

 0 62.5 125 250 375 500 Feet

Proposed TIF Incentive District for Melrose Subdivision



CURRENT UTILITIES
5/2020 - City of Wooster Economic Development

Sanitary Sewer Stormwater Water

0 62.5 125 250 375 500 Feet

PRELIMINARY RECOMMENDED CONSIDERATIONS FOR TIF

Reviewed by WG Jan 7, 2020 & February 26, 2020

Criteria for Consideration of TIF Incentives for Residential Projects

I. Proposed Development Proves Necessary for Public Benefit - Proposed development should commit to job creation, provide affordable housing, remediate slum and blight, resolve a public safety issue, or create a civic asset for the public, or substantially advance a public benefit or economic opportunity for the community.

II. TIF Available as a Defined Incentive District - A specific area for development as an incentive district.

III. PILOT Reimbursement Limited to Primary Network Public Infrastructure - A *portion* of TIF funds may serve to reimburse Developer or City for the construction of primary-network public infrastructure.

IV. PILOT Contribution to Off-Site Infrastructure - A portion of PILOT revenue to be dedicated to off-site public infrastructure serving the incentive district, which may include sidewalks/trails, intersection improvements, and water or sewer utilities that also benefit the proposed project site.

V. PILOT Contribution to Wooster City Schools - TIF does not necessarily impact school district revenues, but where it does, Developer is responsible for partnering with local districts in determining a reasonable return of PILOTs in place of foregone tax revenues. Local school district input is considered for project.

TIF Process from Application to Approval *(May require between 30 to 60 days)*

1. Developers and Land Owners Provide Application - The Developer(s) with responsibility to completing a proposed project and current or future landowners provide an application to the City of Wooster's Office of Economic Development. No template is provided, however, all applications shall include the following:

- A detailed written description of the project including details on: 1. Project location including site boundaries and acreage; 2. description of project cost, funding and schedule; 3. explanation of public infrastructure to be funded with a TIF; 4. description of how the project benefits the public to justify incentives; 5. Statement of project outcome without TIF. (i.e. higher prices, project terminated, etc.)
- Representative and business contact information for each current landowner as well as developer(s) with responsibility for completing the project as proposed.
- A detailed project budget sheet with a written description of the financing gap and outlining the specific amount of TIF funding required to fund the developer's public infrastructure.
 - A detailed cost estimate of the public infrastructure to be covered by the TIF.
- A map of the proposed development area.
- A development plan map depicting building footprints, infrastructure, and landscape features.
- A drawing or sketch of the proposed development
 - Illustrative exhibits and architectural renderings are encouraged if available.
 - Other exhibits and data to demonstrate how the project benefits the public.

2. Staff Review & Report (Could take 15 business days from **completed** application): Staff will produce a report detailing the following: 1. Financial impacts to developer, City, school district, and competitive marketplace; 2. TIF necessity for project to be completed; 3. Project's impact to furthering a public benefit (Job creation, affordable housing, blight remediation, safety, community development); and 4. include comments received by school district partners and other impacted agencies, departments, and organizations. Applicants could be asked to provide clarifications or additional data to complete the application.

3. Wooster Growth Review (Could take up to 30 days): All applications will be forwarded after staff report. Applications with insufficient information or that do not meet criteria may not obtain staff recommendation.

4. Wooster City Council Review (Could between 15 to up to 45 days): Applicant attendance advised.

5. Agreement & Filing (Could take 10 business days): Upon approval, Applicants and City will complete a Development Agreement and furnish other required documents for filing of the TIF with ODSA and the Wayne County Auditor's Office. If applicable, legal fees incurred by City to be satisfied prior to disbursement to applicant. Standard State of Ohio economic development and tax incentive criteria and laws apply.