

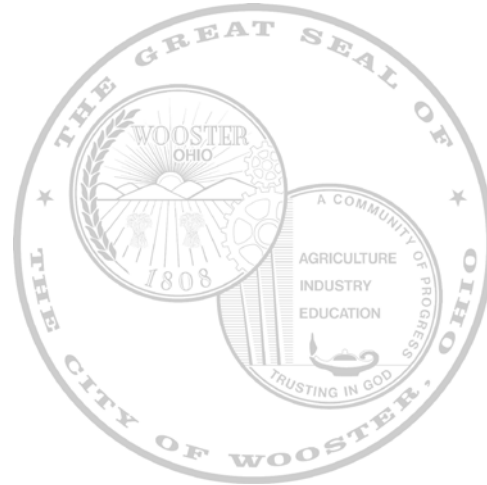
City of Wooster
ECONOMIC DEVELOPMENT PLAN
Silver Road Tax Incremental Financing Incentive District
Reference: ORC 5709.40(C)

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Plan Contents

SUMMARY	1
ECONOMIC DEVELOPMENT PLAN	2
Development Proposal:	3
Proposed Public Infrastructure:	4
Proposed TIF District Boundaries:	5
Proposed Mechanics:	6
Proposed Plan Schedule:	7
FUTURE DEVELOPMENT ASSESSMENT	8
Roadway	8
Site Suitability:	9
Urban Sprawl Reduction:	10
On Housing Demand Generally	10
Applicability of TIF Incentive District Generally	13
Applicability of TIF Incentive District for the Silver Road Project:	15
FINANCIAL PLAN:	16
Financial Assumptions:	16
New Infrastructure Cost Recovery Paths.....	17
Additional Impact Considerations	22
RECOMMENDATION:	23
Considerations for Recommendation:	23

SUMMARY

The City of Wooster Office of Economic Development **RECOMMENDS** the creation of a Tax Increment Financing Incentive District (TIF) along the northern extents of Silver Road. With the creation of offsite improvements to enable the creation of a new 108-home subdivision, the project will enhance safety and level of service for Wooster-area taxpayers and support the fiscal health of the community:

- To immediately support the development, this area requires **\$877,000** in offsite infrastructure, including roadway reconstruction, multi-use trail development, and a sanitary sewer extension. Long-term needs include the maintenance of the created infrastructure and the extension and upgrades of the walkability connections, public utilities, and roads serving the new development.
- Public benefits are **helpful** (Please see **Figure 21** on **Page 27**):
 - County, Wooster City School District, and City benefit from additional housing capacity, identified as a need in the City’s 2023 Comprehensive Plan, and the Wayne County Economic Development Council’s commissioned 2024 Housing Needs Analysis.
 - Wayne County’s population is rapidly aging out of the workforce, with limited new housing available to support new workers to replace retirees.
 - New housing to meet existing demand may assist in stabilizing the shrinking workforce and the community’s younger populations.
 - Reconstruction of Silver Road would support the City’s western industrial core by improving a township road to industrial standards, providing more efficient and reliable access for the area’s 460 existing workers, proposed 108 future households, and general public accessing Clear Creek Park.
 - Addition of trails ensures safer access to Clear Creek Park for local workers and Clear Creek residents and increased recreation for the general public.
- TIF **does not impact** existing property tax revenues and lowers the financial obligation of any property owners. Instead, it redirects a 75% portion of the City’s, School’s, and County’s *new* property tax revenues created from new construction, which would not otherwise occur without the new public infrastructure.
 - The developer approached the City seeking assistance for offsite improvements to Silver Road and sanitary sewer as being an essential need to move forward with site development.
 - 75% of *new* revenues that would otherwise be due to the school district, City and County are redirected for a 10-year period to reimburse the City for its public improvement expenses and a portion of its anticipated long-term maintenance costs.
 - The start of the 10-year period first commences when the new development exceeds a defined trigger, which, for this project, is recommended upon the completion of the first 36 homes or attainment of \$10,620,000 in new improvement valuation.
 - All participating districts will gain 25% of *new* revenues through the duration of the incentive district and then 100% thereafter. It will also support further investment and support the creation of housing to aid strategic workforce growth / recovery.

ECONOMIC DEVELOPMENT PLAN

This Economic Plan documents how the proposed Silver Road TIF Incentive District may fund new infrastructure to resolve several impending needs associated with the new development, which incidentally will serve to resolve current public infrastructure challenges in the vicinity. Improvements are summarized in **Figure 1** below:

Figure 1

Proposed Silver Road TIF Incentive District (bold white outline) and Vicinity



Source: City of Wooster Economic Development

The Silver Road Tax Increment Financing (TIF) Incentive District would enable the construction of a new 108 single-family housing subdivision with offsite public infrastructure, including road reconstruction, sanitary sewer extension, and walkability connections, along with long-term maintenance and supporting future infrastructure needs. Through the creation of a TIF Incentive District, the City of Wooster is likely to fund **\$877,000** of **new infrastructure** and additionally limited **maintenance and expansion activities** as needed and as funds may allow, to support the anticipated future development. The TIF

Incentive District would require terms of 75 percent for a period of up to 10 years in order to successfully recover its initial investment. Assuming a full and complete buildout, a 108-home subdivision should command a taxable valuation of \$25,488,000 to \$31,860,000, and generate between \$1,593,266 and \$3,022,863 in new revenues over the TIF term.

Development Proposal:

Continuing on from their efforts with the 91-home Spring Run subdivision project along Oak Hill Road, the team behind Wooster Development Company II, Ltd. (“**Developer**”) has identified a new project (“**Project**”) with an opportunity to construct a new 108-home neighborhood at the northwest corner of Silver Road’s intersection with Mechanicsburg Road. Located in **Ward 4**, the proposed 44.08-acre subdivision, or “**Project Site**” was recently zoned R-2 Single-Family Residential, and is proposed to be improved with 3,650 linear feet of new residential roads, with water, sanitary sewer, and storm sewer improvements, establishing 108 residential lots. Most lots will average 55 feet in width and 150 feet in depth.

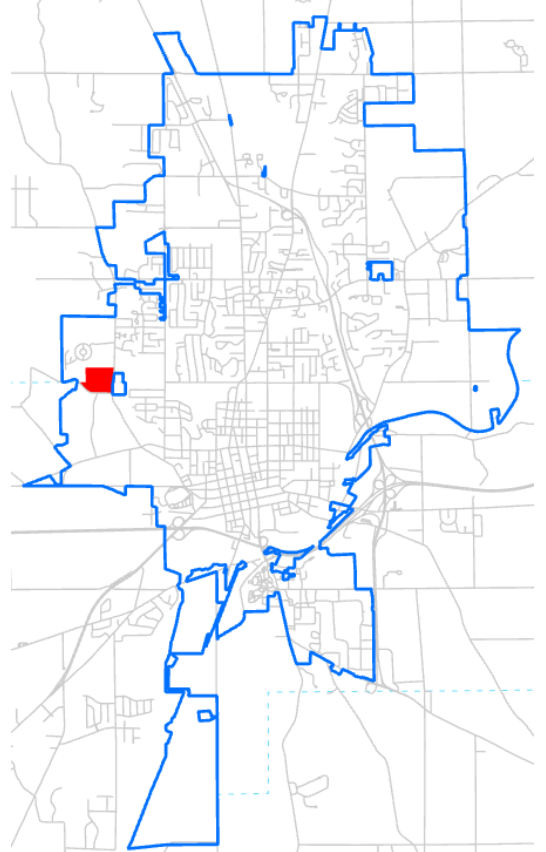
Under a separate agreement between the Developer and Ryan Homes, the latter proposes to construct a combination of its mid-range products, which have succeeded at Spring Run, as well as a slate of entry-level homes on the created lots. (Note: As proposed, Ryan Homes would not be a party to a development agreement between the Developer and City, as the homebuilder role could be reassigned.) The homebuilder’s SimplyRyan product, which is geared toward first-time homebuyers, differs from its traditional product in that footprints and lot sizes are generally smaller, and the home is delivered with landscaping. For both product styles, with its own mechanisms for financing, Ryan Homes is able to offer competitive entry into the housing market.

With a target price point ranging from the low \$200,000s to mid \$300,000s, the proposed SimplyRyan models range between 1,300 and 1,900 square feet, all offering at least three bedrooms and two full baths, and with most being two stories in height and constructed slab-on-grade, though larger options and those with basements are also offered. The traditional models, ranging from the upper \$200,000’s to the mid \$300,000’s, and higher with optional features, range between 1,400 square feet and 2,450 square feet, and almost always feature a basement. (The majority of Spring Run sales to date have ranged between \$344,000 and \$391,000).

Prices advertised for SimplyRyan products in nearby markets, range from a starting rate of \$1,500 per month, while the mid-range products in Wooster, range from \$1,800 to \$2,400 monthly. These figures assume 3.5% down with FHA financing and private mortgage insurance. In comparison, at the time of publication, newer 1,300 square-foot apartments (2 beds, 2 baths) in Wooster are renting for \$1,500 to \$2,100 monthly, with limited availability. *Note: Ryan Homes LLC will not be a signatory to the City’s Development Agreement, and Developer reserves the right to utilize another or additional homebuilder.*

The subject site is characterized by rolling farmland, with woods and a ravine along its west border that descends toward Clear Creek. An infill development site, the proposed Incentive District is surrounded

FIGURE 2
Proposed Silver Rd TIF District Vicinity



Source: City of Wooster, Economic Development

by developed land on three sides, being Shelmar mobile home park and also Wooster YMCA gymnastics facility to the north, the Wooster Country Club to the east, and Wooster's western industrial district to the south (with prepared vacant industrial lots immediately adjacent on Silver Road).

The area *lacks* the public sewer, roadway, and walkable infrastructure needed to meet the needs of the proposed development, and with regard to roadway and sidewalks, does not satisfy *current* needs. This is in addition to other infrastructure systems that may need to be upgraded depending on the Development's ultimate population and buildout, including additional walkability connections, utilities, park improvements, and roadway enhancements.

Proposed Public Infrastructure:

As shown in **Figure 1**, the Silver Road Incentive District would specifically fund two elements, the first being the **new infrastructure**, which is the reconstruction of Silver Road, a sewer extension, and the creation of a sidewalk or bike trail from the Project Site to Clear Creek Park. The second element is **Maintenance and Expansion**, as needed to maintain infrastructure for the district and to improve the development's road, utility, sidewalk, and bike trail connections to the rest of the community.

- **Sewer System Extension:** Installation of 240 feet linear feet of sanitary sewer from its terminus at Venture Boulevard to the Project Site boundary | *Cost: \$70,000 Start: 2025*
 - Enables gravity sanitary sewer for the new 108-home development, and long-term, potentially points north. Additionally enables sanitary sewer access to an existing residential property currently reliant on a septic system.
 - Community's investment to be financially secured with a development agreement with Wooster Development Company II, Ltd. II, Ltd.
- **Silver Road Reconstruction:** Reconstruction of 0.15-miles of Silver Road, a two-lane rural route, to industrial-grade standards, with improvements to its intersections with Venture Blvd. and Mechanicsburg Rd. | *Cost: \$620,000 Start: Design 2024, Construction 2025-26*
 - Ensures access, safety, and resiliency for a mix of industrial truck, industrial commuter, and residential users. Peak hour traffic is estimated at 166 vehicles.
 - Additional funding is being sought in relation to the industrial park's truck traffic and access for its 460 employees. Silver Road serves as part of a loop for industrial traffic navigating the City's West Industrial area, and provides critical secondary access to and from businesses along Venture Blvd.
 - Silver Road does not meet current city standards, and is inadequate to serve existing needs. New development will further stress this issue. Properly-sized infrastructure will allow for ease of use for future users, as well as existing industrial traffic.
- **Clear Creek Park Connection:** Construction of a 1,470-foot bike trail from the housing development to Clear Creek Park. | *Cost: \$187,000 Start: Design 2024, Construction 2026-28*
 - The neighborhoods will lack connectivity to the rest of the City. Establishing walking connections is vital for the area's viability as a livable neighborhood.
 - The 1,470-foot bike trail, or sidewalk as future analysis may determine, will provide residents with safe access to Clear Creek Park and its trail paved nature trails and a newly-constructed playground.
 - The trail will additionally benefit existing businesses by helping to take current pedestrian traffic off Venture Blvd. (Employees frequently walk in the roadway during breaks for exercise.) As more truck traffic is expected in future years, the current situation is not ideal. *Note: FHWA Bicycle and Pedestrian Program guidance from its Separated Bike Lane Planning and Design Guide cites separated lanes and trails as being more comfortable for less-skilled users and successful at generating use as opposed to shared lanes. The guidance advises 96 percent of all users feel safer on dedicated trails separate from traffic. While data is limited and the design field is still evolving, FHWA's analysis indicates that safety appears to **improve** with dedicated facilities, though with higher usage, intersection crashes become more pronounced. Area businesses have additionally expressed concern about pedestrians in the road.*

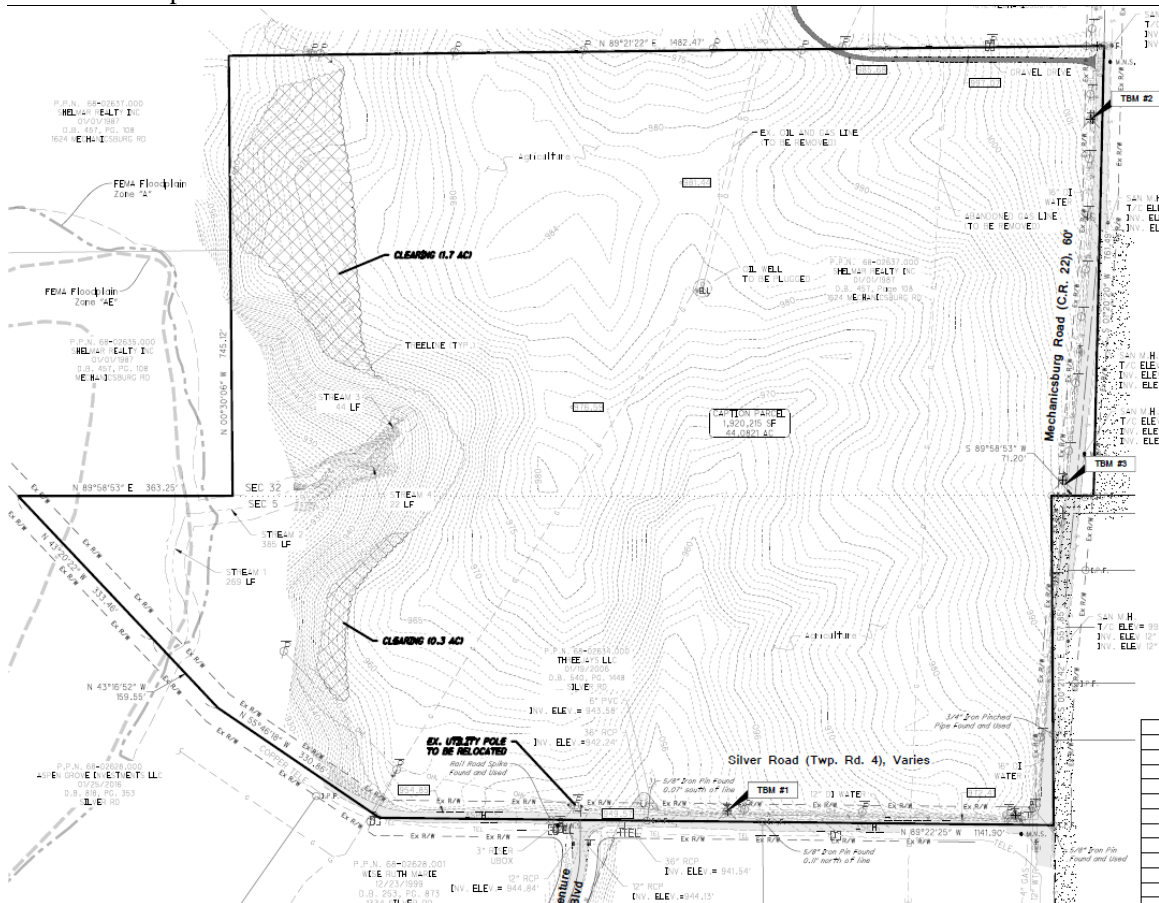
Maintenance and Expansion Activities: Ongoing maintenance will be required to *maintain* the proposed **new infrastructure**. This includes roadway repairs and re-paving as needed to support access and quality of life for residents of the future development, in addition to any necessary repairs and maintenance to associated water, sanitary sewer, and stormwater utilities. Critically, improving connectivity from the Project Site to the rest of the community will be an ongoing need. As future analysis determines the best options (sidewalk, bike trails, shared use lanes, etc.), and as funding from collected PILOTs allows, expansion activities may include extended connections to better link the neighborhood to the City’s sidewalk or trail networks. Parkland or nearby greenspace improvements are additional considerations for the development as it matures. TIF PILOTs, if any, could be paired with grants to effect larger, more impactful projects. Additional considerations include possible improvements to Mechanicsburg Road as may be necessary to support the development.

Funding for **maintenance and expansion activities** is earned *after* and *if* expenses for the **new infrastructure** is recovered, with projects committed prior to the cessation of funding.

Proposed TIF District Boundaries:

The Silver Road TIF Incentive District will not exceed the extent of the approximate **44.0821**-acre area, as shown in **Figure 3** below, approved for the Project by the Wooster City Planning Commission on September 5, 2024. (Please reference Survey for official extents):

FIGURE 3
Maximum Proposed TIF Incentive District Extents



Source: Excerpt from Survey of official Clear Creek Subdivision Plan - Planning Commission Submittal for Clear Creek, “PC-24-23 Meeting Packet”

The proposed Incentive District would fully contain the 18.66-acre parcel known as 68-02634.000, and a 25.42 acre portion of parcel 68-02637.000, altogether measuring approximately 44.0821 acres. The new infrastructure created to support the district will occur offsite, as depicted in **Figure 1**. Maintenance activities may occur within the District as well as on any offsite infrastructure as is necessary to support the new 108 residences.

Proposed Mechanics:

The Silver Road TIF Incentive District would fund the proposed **new infrastructure** and also a portion of the proposed **maintenance and expansion activities** over a period of approximately 10 years. TIF is enabled with the review and cooperation of local schools, in this case the Wooster City School District, and county government, with benefits secured through a development agreement between the City of Wooster and Developer (Wooster Development Company II Ltd.) of the site.

Upon approval, a separate fund is established to cover the infrastructure needs of the Incentive District. As new construction takes place, valuation increases, commanding additional new property tax revenue. A *portion* of the new revenues resulting from the incremental increase in property valuation are redirected to the infrastructure fund. The redirected revenues collected from each property owner within the district are referred to as a PILOT (*Payment-in-lieu-of Tax*) on real estate tax bills, however, the total amount owed by the homeowner to County Treasurer stays the same as it would have been without TIF.

The Silver Road TIF can be effected using the standard terms of 75% for 10 years, which would be required to ensure recovery of the estimated **\$877,000** in construction expenses. The scope of long-term maintenance and potential expansion will depend on actual need at a later date, and the availability of funds. Assuming a complete build-out, funding for maintenance and expansion could amount to \$716,000 in a “lowered performance” scenario, or \$2.1 MM in a “historic performance” scenario (see page 17). Once a scope has been finalized, any funds not needed for the development’s infrastructure are returned to the taxing entity.

The specific revenue redirection would be apportioned as follows:

- Wooster City School District (43.711667 mills): 75% for years 1-10.
 - Notice is required, but no action is necessary from the Board of Education.
 - i. Notice is also provided to the Wayne County Schools Career Center.
- Wayne County (7.625723 mills): 75% for years 1-10.
 - Notice is not required and no action is necessary from the County government.
- Wooster City (4.2 mills): 75% for years 1-10.
 - TIF Enabling Legislation required by Wooster City Council
 - Financed internally, bonds will not be required.
 - A Development Agreement with the developer is necessary.
- All Other Districts: 75% of levies *when* enacted prior to 2006.
 - 0% on levy increases post 2006. (Wayne County Library, etc.)

Background: TIF is governed by Ohio Revised Code Chapter 5709. In creating a TIF Incentive District, where communities may redirect future created tax revenues, a territory must be defined not to exceed 300 acres. A *percentage of future new* qualified revenues is assigned to be redirected for infrastructure costs, and a set number of years the TIF Incentive District should survive. The maximum terms permitted for a TIF Incentive District is 100% of qualified revenues (PILOTS) for a 30 year period, which may sometimes involve revenue sharing agreements with school district partners. For TIF Incentive Districts not exceeding 75% over a maximum 10 year term, as proposed here, school district partners are encouraged to provide comment, but are not required to take any formal action. Redirected funds are restricted to infrastructure investments, including maintenance, that support the incentive district, whether located within the boundaries or offsite. The proposed Silver Road TIF would be the third TIF project enacted within the City of Wooster since 2000.

Proposed Plan Schedule:

The following steps are required to establish the Silver Road Incentive District, but not necessarily in the order presented. Some variation in timing is anticipated. The TIF Incentive District should ideally be fully established within tax year 2024, assuming taxable improvements are made during the year, though this may not occur until 2025 or 2026.

- Year 2024:
 - Economic Development Plan Approved by Council
 - TIF Public Hearing (at least 30 days before Council creates District)
 - TIF District Council Legislation (Required after annexation official)
 - Service/Development Agreement for Silver Road Authorized by Council
 - *The Developer commits to construction or minimum service payments*
 - *Construction for the Clear Creek subdivision may commence*
- Year 2025 – 2026:
 - **Silver Road Reconstruction (\$620,000):** Legislation to bid and award, and project execution.
 - **Sanitary Sewer Extension (\$70,000):** Legislation to bid and award, and project execution.
 - **Sidewalk and / or Bike Trail Installation to Clear Creek Park (187,000):** Legislation to bid and award, and project execution.
- Years 2026 through 2035
 - **Trail / Sidewalk Extensions (TBD)**
 - Based on future cost analysis for best routes, continue sidewalk or trail extensions from the neighborhood to other walkable or bikeable infrastructure for better connectivity. Opportunities would include:
 - Widening or lane installation along Mechanicsburg to points north (e.g. Mindy Lane, walkability to schools, etc.)
 - Walkable connections to sidewalk infrastructure to Old Mansfield Road. (Walkability to Downtown points).
 - Other trails directly serving the neighborhood.
 - **Required Maintenance**
 - As funding allows, PILOTS may be used for road repair along Silver, Mechanicsburg, and within the allotment, as matching funds to enhance Mechanicsburg to support the development, associates stormwater improvements or maintenance.
 - **Park and Recreation Improvements**
 - Enhancements and proportional maintenance to Clear Creek Park to accommodate additional local use of the site.
 - **Other Public Infrastructure As Determined to Be Necessary**
 - Additional public infrastructure, if found to be required as the development is constructed and occupied, to ensure proper levels of service and access for the future residents.

Once established, the City of Wooster will be responsible for filing form DTE-24 and for annual reporting requirements to the State of Ohio’s Department of Development and also the Wooster City School District.

FUTURE DEVELOPMENT ASSESSMENT

The **creation of a TIF Incentive District** will directly resolve current public infrastructure constraints along Silver Road, and would be essential to enable the proposed future housing development. Housing in and of itself has been identified as a critical community need through the City’s 2023 Comprehensive Plan Update, in addition to the 2024 Wayne County Housing Assessment study.

Roadway Silver Road is an unimproved former township road that serves as a secondary entrance and exit through the City’s western industrial core, centered on Venture Boulevard. Measuring just 18 feet wide, the road’s maintenance is challenged with *limited* heavy truck traffic. Silver Road, with Venture Boulevard, forms a loop for commuter and industrial traffic in this location, serving major employers including Seaman Corporation, Akron Brass, MetroMedia, and DuraFlex, which together employ approximately 460 employees. As-is, the road is presently undersized and insufficient to support additional demand without reconstruction.

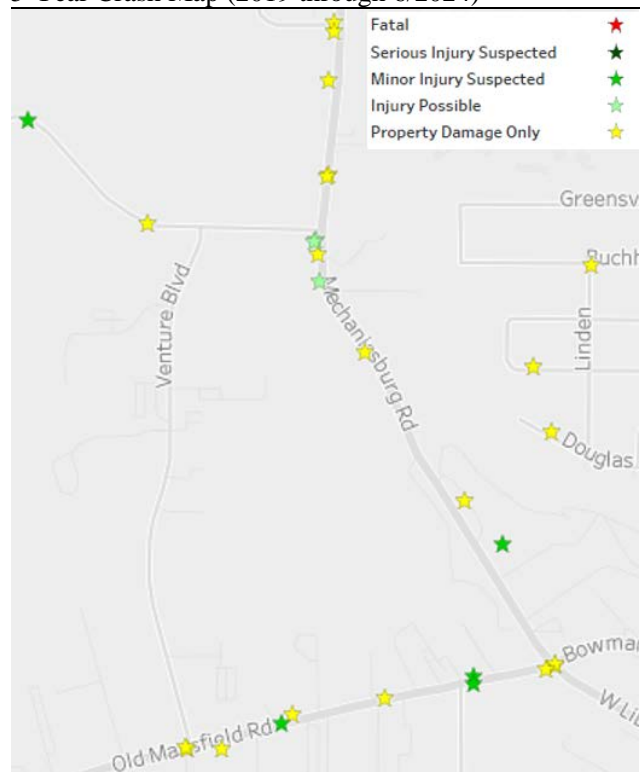
This loop connects to Mechanicsburg in the east, a minor collector road averaging 3,623 vehicles daily, and Old Mansfield Rd to the South, averaging 3,452 vehicles daily. The loop averages between around 3 to 4 crashes annually, or 24 in last five years. About one fifth of these are commercial related. Appropriately sized infrastructure, which reconstruction of Silver Road would allow, is important to ensuring low crash volumes and minimizing opportunity to injury.

Wooster Development Company II, Ltd.’s 2024 commissioned traffic study determined that “acceptable levels of service will be experienced within the study area for both the No Build and Build scenarios” and that “turn lanes are not warranted at either proposed drive”, leaving bringing up Silver Road to City standards the primary need. The maximum peak hour traffic along Silver Road is calculated to be 166 vehicles, versus 150 without the development.

Pedestrian activity along Venture Boulevard is common during the lunch hour and work breaks. Pedestrian activity in the roadway was one of the factors behind the City’s creation of trails at Clear Creek Park. With its close proximity, Clear Creek Park, with paved walking trails, an overlook, playground, and picnic space, is the nearest recreational attraction for the proposed development, and is likely to draw additional pedestrian traffic. A multiuse trail along Venture Boulevard allows residents and existing workers additional access to the amenity and ensures safe separation from traffic.

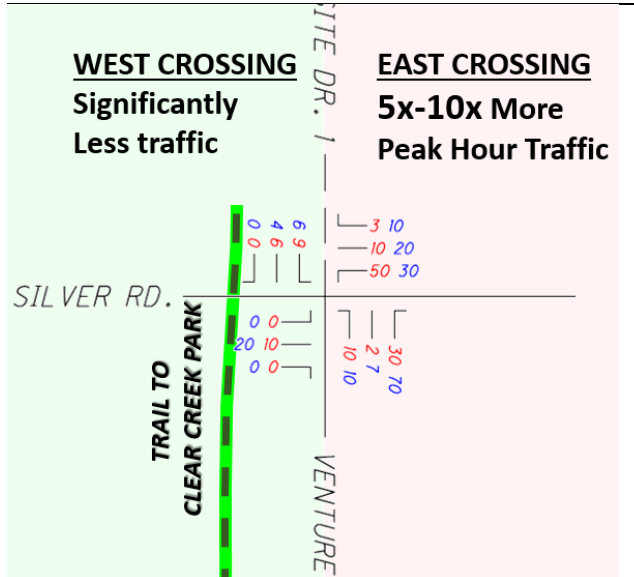
The western edge of Venture Road is an ideal location for a trail crossing to avoid traffic, which will be between five and 10 times higher if the trail crosses on the east side of Venture Boulevard. (Please see **Figure 5**) However, the overall increase of traffic will remain low, with the afternoon peak hour traffic amounting to just 16 additional vehicles on Silver Road compared to present conditions. A total of 130 vehicles through the intersection during peak morning hours, and 166 vehicles during the peak afternoon hours. Ultimately, the placement of the route will be dependent upon several design considerations.

FIGURE 4
5-Year Crash Map (2019 through 6/2024)



Ohio Highway Patrol Crash Statistics on the Silver/Venture/Old Mansfield / Mechanicsburg loop serving the planned neighborhood and existing industrial park.

FIGURE 5
Clear Creek Park Connection



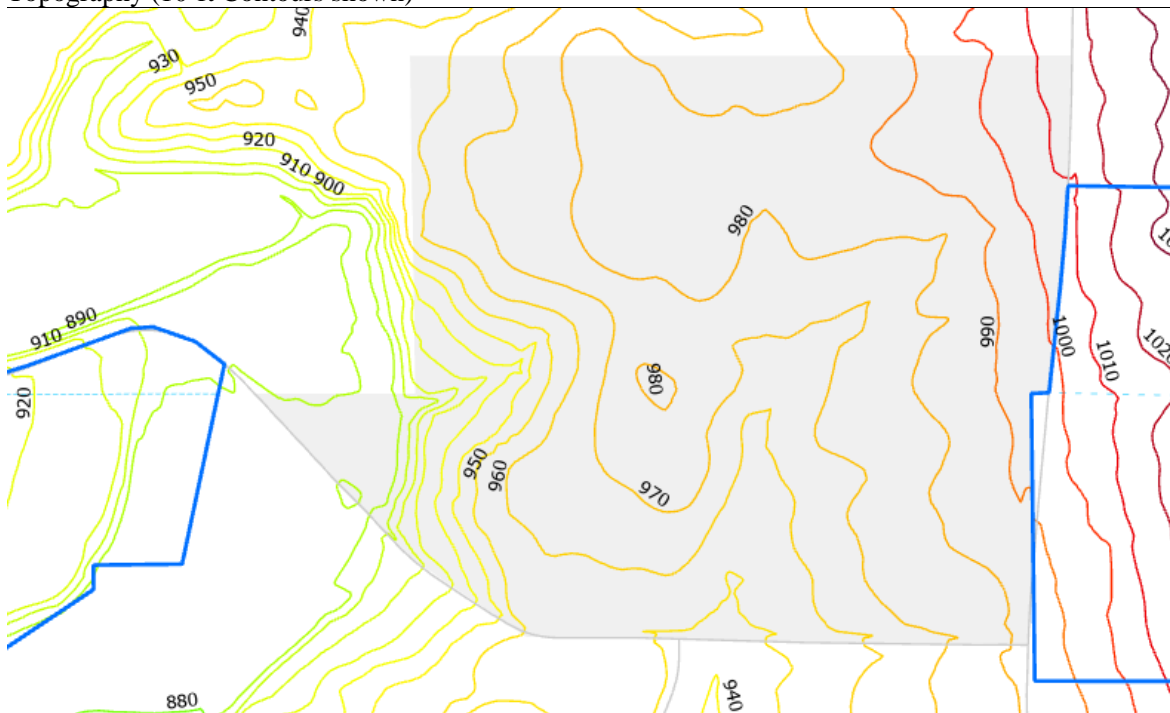
Ohio Highway Patrol Crash Statistics on the Silver/Venture/Old Mansfield / Mechanicsburg loop serving the planned neighborhood and existing industrial park.

Note: To the west, Silver Road descends through the Clear Creek valley, before winding its way to the Overton Valley 1.2 miles away, where the road doubles as US Bike Route 44, leading to Mansfield via Wooster Memorial Park, Jeromesville, and Hayesville. Enhancements to Silver Road and also the City’s trail network could be advantageous to regional bike traffic accessing this route.

Long-term Needs, depending on final population, may include utility upgrades and road improvements. Also, extension of walkable infrastructure is recommended as funding may allow. Connections to Old Mansfield Road would provide residents access, albeit circuitous, to other Wooster points including Downtown and throughout the western industrial district. Walkable or bikeable connections to points north have the potential to provide access to schools, parks, and other residential areas.

Site Suitability: The proposed TIF Incentive District is characterized by gently sloping farmland, rising to the north, and peaking alongside Mechanicsburg Road. With an extension of sanitary sewer from Venture Blvd to the site boundary, the property naturally lends to gravity-sewer. See **Figure 6:**

FIGURE 6:
Topography (10-ft Contours shown)



Source: City of Wooster, Economic Development / GIS

On cursory analysis, soil classifications (*see Figure 7*) demonstrate some compatibility for construction, most favorably for slab-on-grade, the same rating for the Spring Run Development further north. The site is also among the largest available in the City readily capable of supporting the 108 homes proposed.

FIGURE 7
General Soil Typology



Source: USDA Soil Survey (<https://websoilsurvey.sc.egov.usda.gov/App/WebSoilSurvey.aspx>)

Urban Sprawl Reduction: The proposed new development projects are complementary to the City’s 2023 Comprehensive Plan and the WayneOnward Plan from 2019, with each supporting infill development and development at the immediate periphery of city limits.

- By comparison, with a typical three-acre minimum per unit for unsewered sites, a 108-home development would have the potential to devour 297 acres of farmland, about a half square mile, without the availability of utilities. In any event, larger lot sizes with more infrastructure, or costly investments such as package plants, would usurp the affordability the project presents. Additionally, the provision of *more* infrastructure for *fewer* residences leads to an *increased* tax burden on existing and future taxpayers.

On Housing Demand Generally

The City of Wooster continues to be challenged by a lack of housing, with vociferous calls from employers to expand options for housing. Similar to most of the nation, Wooster experienced a resurgence in job creation in the years following the Great Recession, while housing starts remained stagnant, in part due to the dissolution of the homebuilding market.

Some data points include:

- For the **first time** on record, the US Decennial Census determined average household size in the City **grew** (2.29 per housing unit) in part as a product of a lack of housing.

- Though improving, as of 9/2024, many Wooster rental communities have no vacancies, requiring interested future tenants to join waitlists.
- Wooster’s major basic-sector manufacturers have publically voiced support for the need for new housing, including GOJO Industries, Tekfor (American Axel Manufacturing), Schaeffler, and Western Reserve Group, a sentiment further echoed by organizations such as Community Action Wayne/Medina and the Wayne Economic Development Council.
- Certain major employers, not necessarily those listed, have reported relocating a significant number of jobs out of Wooster on direct account of a lack of workforce, and noting a perception that new housing construction is occurring too slowly.
- As of 9/2014, Wooster has two single-family subdivisions under construction, including Spring Run (Wooster Development Partners / Ryan Homes) with 91 homes, and Woodcrest (Schlabach Homebuilders) with 71 homes, while a 181-unit residential senior living and assisted care campus is proposed to start construction within the next few months.
- In the last few years, the City of Wooster experienced a sudden rush of new commercial activity which included the construction of 1 MM square feet in new logistics and manufacturing facility space, indicative of **basic-sector** expansion. Additionally, approximately 200,000 square feet of new retail space was built, with plans for another 200,000 underway at the North End.
- The Wayne Economic Development Council commissioned 2024 housing demand study, finding a need for 730 new housing units for Wooster through 2029:
 - 89 new homes at \$150,000 to \$200,000
 - 297 new homes at \$200,000 to \$350,000
 - 155 new homes at \$350,000 to \$500,000
 - 14 new homes at \$500,000 or greater

The same study additionally highlighted a need for 175 new rental units, the majority priced between \$1,000 and \$1,250 monthly. The study outlined a total need within Wayne County of 2,443 new homes and 791 rental units.

Housing construction generally results from **basic sector job creation and wage growth**. Part of the economic multiplier effect with incentivizing primary job-creating industry is the follow-on investments made in the expansion of retail and housing. Wayne County climbed above pre-recession job levels within the last several 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. However, as economic conditions for the housing sector have become more constrained, *smaller* housing markets where demand is evident but attainable rents or sale prices are generally lower, are increasingly at a disadvantage as developers flock to more lucrative markets. Communities with developable sites and a willingness to allow new housing development (e.g. accommodating zoning, etc.) generally secure priority attention, while those lacking available sites or expressing protest against new housing (NIMBY or *Not-In-My-Backyard*, etc.), are less likely secure new housing.

Census Data: The most recent Decennial Census showed Wooster’s population growth *slowed*, falling to 4.3% between 2010 and 2020, versus 5.3% the decade prior. (The remainder of Wayne County grew at 1.4%). Despite the slowdown, adding 1,113 new residents demonstrates a healthy economy, especially as the 18-County TeamNeo region lost approximately 18,000 residents over the same period. However, recent ACS data, as in the previous decade, estimates a shrinking population. Separately, the Ohio Department of Development Office of Research has projected that the County’s population has peaked, with estimates of a slow rate of decline over the next three decades. Northeast Ohio’s accelerating demographic decline is now impacting Wayne County. A key issue is that Woosterites are **aging out of the workforce** and limited new housing is available to welcome **the next generation of workers**.

FIGURE 8
DOD Pop. Projection for Wayne County

2020	116,894
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Estimate

2023	116,510
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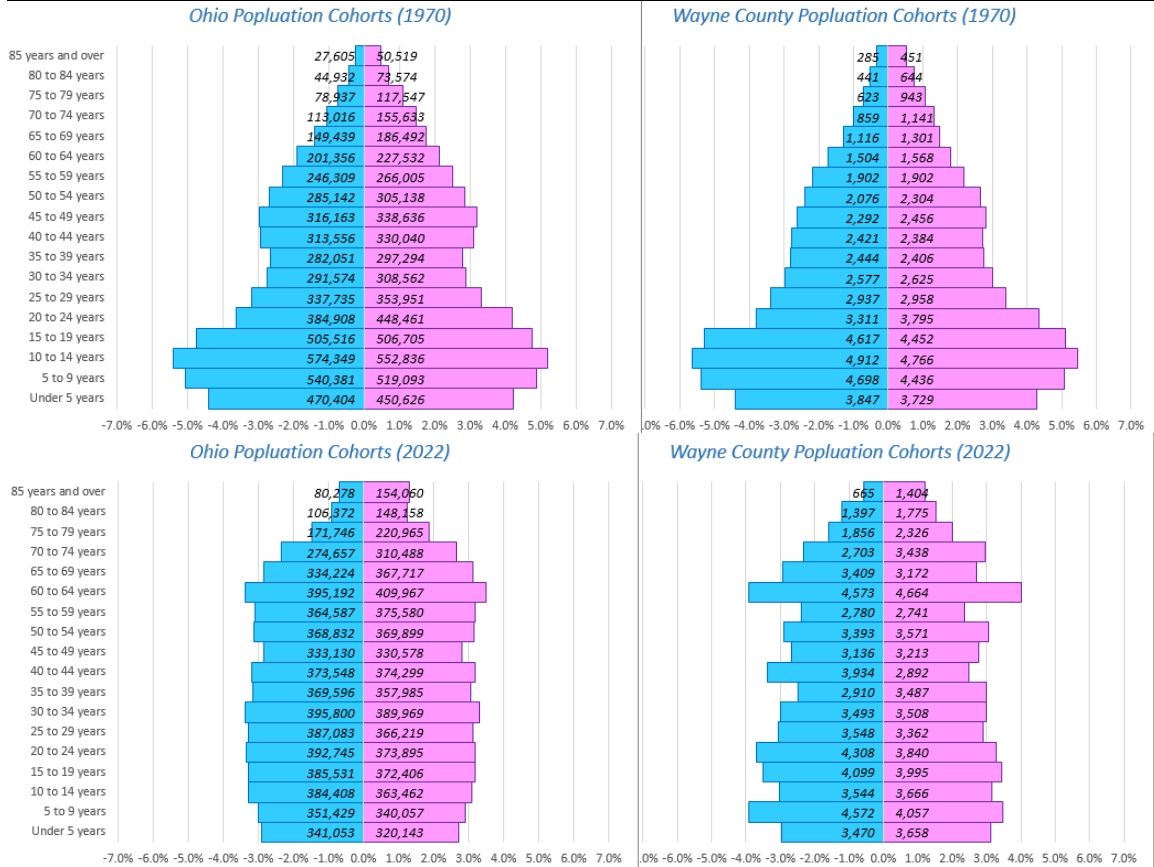
Projection

2030	114,490
2040	110,745
2050	107,314

Source: 2024 Ohio County Pro-files, Wayne County, Ohio Department of Development Office of Research.

Examining local and regional data by cohort (see **Figure 9**) highlights the current demand for housing, and the opportunity to prevail through the State’s impending demographic decline. Ohio’s, and even-more-so Wayne County’s, largest population cohorts are people between the ages of 60 and 65 (as of 2022). This largest population group is actively transitioning from being at the top of their careers into retirement, and subsequently halving incomes (much of which is non-taxable for cities and the State). Most retirees will age-in-place as long as possible, as this is often the most affordable option. At the same time, consumer spending tends to decline sharply, as do tax contributions, while the need for civic services tends to increase.

FIGURE 9
Demographic Transition – Ohio & Wayne’s Shift Toward Fewer Workers, Consumers, and Residents.



Note: Housing constraints grow as residents age out of the workforce, but few units are available for incoming workers.
Source: US Census Bureau: Ohio 1970 (Table 20, OH1-02, see pg. 15, OH1-03, see pg. 79). Ohio 2022, American Community Survey, Table S0101 (Wayne County | Ohio).

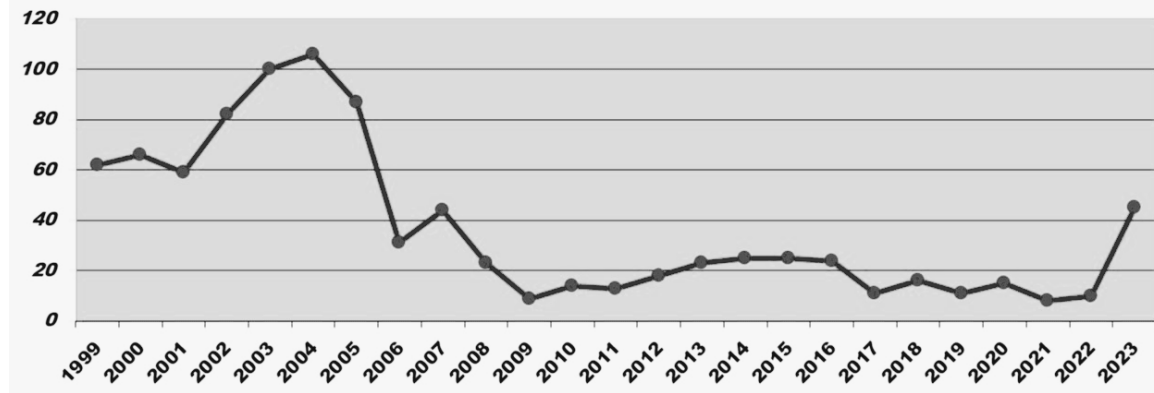
In a constrained hiring environment, employers are faced with replacing outgoing retirees with an incoming workforce that is nearly thirty percent smaller. Additionally, with extremely few new housing starts, there are very few attainable apartment and home opportunities to attract and keep new workers (See **Figure 10**, next page.).

To limit the erosion of its workforce, at least as much as may be possible, prioritizing housing development is an essential community need. Under *current market conditions*, new units locally will serve to limit the strain on employers, preserve a level of consumer spending within the local non-basic-sector market, and make the region more competitive with surrounding communities. It is also likely to sustain, or potentially grow, its school district’s student population.

Absent of a significant decline in basic-sector job market, demand for housing units is likely to remain strong through the next decade. Over time, a prevailing concern will be the deterioration and eventual

attrition of existing housing stock, which, though influenced by a myriad of factors, is generally considered to occur at a rate of about 1% per year, assuming relatively even growth through previous decades. This could result in a higher incidence of property maintenance concerns, opportunity for equity-bleeding by investors, and depreciation pressures in older neighborhoods, especially if population decline would be accelerated by an erosion of the community’s workforce. Ensuring a healthy demographic base in the community, by enabling housing in the present to accommodate a newer workforce, places Wooster in a better position for long-term community investment and stability.

FIGURE 10
City of Wooster Single-Family Housing Starts Last 25 Years



Source: City of Wooster Building Department 2023 Annual Report

Additional Factors: 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 place additional 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 (\$1,056/week vs. \$1,315 Statewide, BLS, 1st Quarter 2024). *Note*, this is up 15% and 20% respectively from two years prior.) This suggests that Wooster continues to provide a strong value to employers, but has also experienced less overall wage growth despite maintaining relatively lower-than-average unemployment rate (4% vs. 4.9% Ohio). *Ohio Department of Job and Family Services, ohiohmi.com, LAUS.*

Financial Market Challenges: Financial flexibility has become constrained as home valuations have increased significantly in Wayne County, though these increases are in line with state trends. Housing inventory has fluctuated in the wake of increased loan rates, making affordability a significant challenge, and delaying larger commercial developments as individuals and companies wait for improving market and financing conditions. At the time of publication, Wayne County’s average days on market was just under 30, which is near the average over the last five years (*See fred.stlouisfed.org/series/MED-DAYONMAR39169*). Wayne County sales tax receipts have also *declined* significantly in the first half of 2024, the first sustained contraction in several years. This data suggests local spending is being reserved for essential needs (groceries, utilities, **housing**, etc.) rather than elective goods.

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 in order to pay for roads and other infrastructure.

The TIF process technically *exempts* a percentage of value resulting from new construction from tax, committing the exempted portion solely paying for public infrastructure costs. When a site is part of a TIF District, the county auditor adds a line item for a PILOT on the real estate bill. The PILOT is equal to the amount of the tax exemption. In effect, the property owner does not experience any reduction in their total bill. A TIF may allow conversion up to 100% of a property’s increased taxes owed to School, County, and City and/or Township governments into PILOTs for 30 years, though an “effective” 75% for 10 years is more typical for most projects. (Other districts, such as Library and Mental Health, are exempted from the exemption for post-2005 levies). 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.

For smaller-scale projects such as Silver Road TIF Incentive District, internal financing is the most efficient and affordable option (City budget process and Capital Fund) as this avoids the costs associated with bond issuance. If infrastructure and housing construction are timed efficiently, the schedule for reimbursement for City projects is similar to operating a project through a grant.

A total of **2,375** TIF projects were effective in Ohio as of January 9, 2024. TIF is a public financing practice employed in most states in the Union, though Ohio is unique in that it’s among just a few to permit financing to be used in conjunction with exclusively new home construction. Over the last few decades, cities have created TIF districts to finance major road reconstruction and widening for the benefit of its citizens in connection with adjacent new housing developments. Such projects alleviated developers from sharing in the cost of off-site improvements they would have otherwise had to fund, making communities more attractive to conduct projects.

More recently, many Ohio communities had utilized Ohio Revised Code 5709.40(C) to fund internal improvements within residential developments to encourage affordable housing, more attainable home-ownership price points, to increase or sometimes decrease housing densities, establish new housing opportunities in general to support local industry, and to encourage specific types of architectural aesthetics. Under this statute, a TIF may be utilized to fund new infrastructure when there is a certification from a qualified engineering professional that existing infrastructure is insufficient to accommodate future development, and the legislative authority adopts an economic plan to remedy the deficiency. While most of the infrastructure is constructed at the start of a project, TIF funds are frequently committed to long-term maintenance of the installed infrastructure over the life of the TIF. *Note: Funding for construction of internal improvements is **not** proposed for the Silver Road TIF Project.*

Applicability of TIF Incentive District for the Silver Road Project:

The Silver Road TIF Incentive District is a public-private partnership between the City of Wooster with Wooster City School District, Wayne County, and the Wooster Development Company II, Ltd.

In return for the installation of public sewer infrastructure (estimated cost of **\$70K**) and a proportional share of road reconstruction improvements at Silver Road (estimated at approximately **\$300,000**), the Wooster Development Company II, Ltd. will proceed with the construction of its 108-home Clear Creek subdivision project. In return, the Developer will guarantee delivery construction of the 108 homes over a schedule of five years, or minimum service payments to ensure the projected minimum TIF revenues for the district are attained (as required to support the **new infrastructure**), up to the total cost of the sewer extension and its share of the Silver Road reconstruction.

While the City will accept and agree to maintain public 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. Offsite infrastructure, however, remains a unique cost-challenge for development projects, particularly as the community works to support infill. The infrastructure proposed, particularly the road reconstruction, but additionally a multi-use trail extension, provides an *enhanced* level of service for the **general public**, particularly commuter and visitor traffic to the City's western industrial district and Clear Creek Park, in addition to the future residents of the proposed Clear Creek project.

Incentive for Developers: The “*but for*” provision is a basic economic development principle that public tax subsidy should only be dedicated to projects that would benefit the community if the development cannot occur on its own. The participating Wooster Development Company II, Ltd.'s Clear Creek subdivision development would not be possible without the proposed sanitary sewer extension and roadway reconstruction, nor would it be proper planning without the provision of a sidewalk or trail to connect the residential neighborhood to other city destinations. The ability to attain this infrastructure is necessary for the proposed development's ongoing related negotiations and the provision of the more affordable SimplyRyan entry-level home models, which would support a critical section of the housing market not otherwise being substantially addressed at the moment in Wooster. The proposal for the site follows multiple years of unsuccessfully listing the property for sale (for a time, as Wooster's only +30 acre industrial site), which as the time did not have the benefit of adequate infrastructure.

Benefit to Tax Payers: With its minimum valuation commitment of \$31 MM, Spring Run is likely to produce the revenues required to recover costs for the New Infrastructure within a four to seven-year period per its proposal, in addition to immediate revenues for the Wooster City School District, Wayne County, and City of Wooster, proving a helpful return on investment for taxpayers. Through a development agreement, the company will also assume full financial responsibility for the aforementioned costs. Absent of the development, City government would otherwise need to tackle the largest infrastructure component, Silver Drive, with existing local funds, rather than the added funds offered through new construction. This makes TIF a valuable economic and community development in select circumstances.

Competitiveness: Increasingly, Ohio communities have offered TIF incentives to greenfield residential development projects to encourage new housing by countering elevated construction costs. Unlike other tax incentive tools, TIF ensures a level playing field for taxpayers, as all property owners contribute equally to public services and infrastructure. Also, unlike other tax incentive tools, TIF provides up-front cost savings to development, resulting in a lower budget, thereby lowering long-term financing costs to enable a more affordable project. TIF also helps the community compete with other cities in the region, particularly those with larger and more prosperous markets. Wooster's comparatively small size and limited data availability continue to make it difficult for would-be developers to move forward with investing in the area, especially as larger areas command more certainty in their data projections and higher price points.

FINANCIAL PLAN:

The Silver Road TIF Incentive District provides a financial pathway to reimbursing the **\$877K** needed for the City’s cost of new public infrastructure. Depending on the level of development (see *New Infrastructure Cost Recovery Paths* ahead), the cost for **new infrastructure** may be recovered within a period of four to seven years, and **if completely constructed**, may generate from \$716,000 to \$2.1 MM in funding to support **maintenance** and **expansion**. If not needed for public infrastructure, excess funds are **remitted** to the Wooster City School District, City’s general fund, and Wayne County government, according to millage rates.

Financial Assumptions:

Expenditures: In calculating financials, it is assumed that new infrastructure costs are incurred during the first year, 2025, and paid from the City’s capital improvement budget. Over the next several years, these expenses are reimbursed to the City through the TIF infrastructure fund. In the remaining years of the decade-long TIF term, revenues accumulate to support maintenance and possible maintenance expansion activities. **Any remaining funds not needed for future maintenance are remitted to the taxing entities upon whose millage the funds were first collected.**

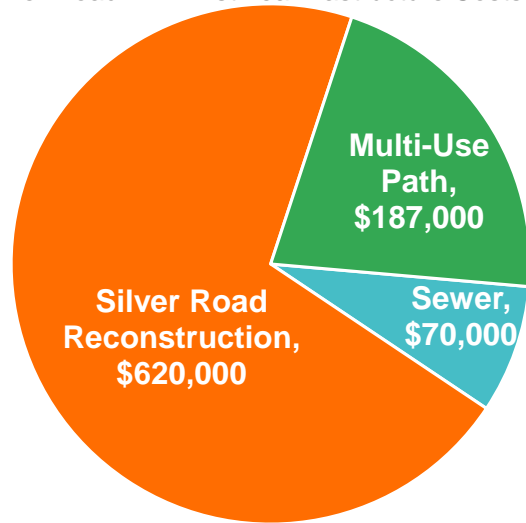
Not factored is the City of Wooster’s usual costs associated in carrying out engineering project management and design. Long-term, the Project **will increase** the City of Wooster’s cost burden overall, which may offset with property and income taxes from future residents.

TIF Revenues: Collected property taxes resulting from new development in the District would be redirected at a rate of 75% for 10 years from the City of Wooster, the Wooster City School District, and Wayne County.

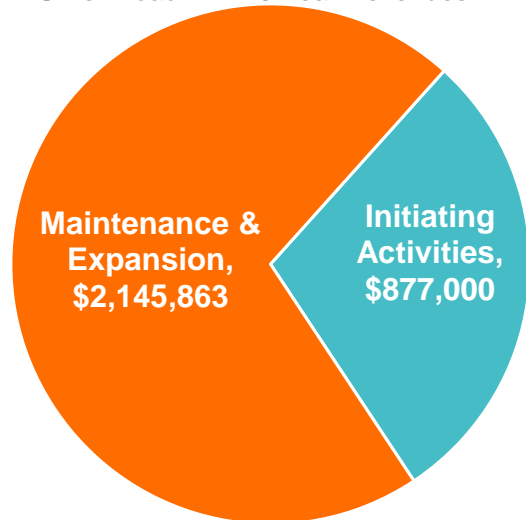
Within the TIF Incentive District, properties would receive a 75% tax exemption on tax levies upon new improvements occurring within that period, applicable to city, county, and school district millage (however, post-2006 levy increases of smaller taxing entities, including the Wayne County Library, are not affected or exempted). Revenues are realized when new construction results in an *incremental increase* in property valuation, resulting in a higher property tax assessment. The revenue foregone by the exemption is still charged to the property owner as a PILOT (*payment-in-lieu-of-tax*), and is collected by the Wayne County Auditor and deposited into a specifically designated infrastructure fund. The fund may be used for actual costs for new public infrastructure (which must be performed using prevailing wage) and associated financing costs (an option for the Silver Road TIF Incentive District, but not anticipated).

FIGURE 11
Share of \$1 MM New Infrastructure

Silver Road TIF: First Year Infrastructure Costs



Silver Road TIF: 10-Year Revenues



Source: City of Wooster, Engineering Division data

New Infrastructure Cost Recovery Paths

Figure 12 outlines estimates for recovery based on the 1.) **Historic Performance** of Spring Run, assuming a 25% build-out per year at currently advertised minimum price points, and 2.) a **Lowered Performance** scenario, assuming a year offset for construction recognition, a 20% buildout, and a 20% reduction in valuation. *Note: Millage and property valuations are shown as constant over the TIF period. In actuality, both will vary from year to year, usually inverse of one another, and generally with real estate appreciating and millage declining. Revenues generated from new levies, typically, are independent of TIF and not redirected as PILOTs.*

FIGURE 12
New Infrastructure Cost Recovery Paths

Scenario	New Infrastructure Costs Recovered	WCSD New Revenues over 10-Yr Period	Funds for Maintenance and Expansion
Historic Performance <i>Based on Spring Run Build</i> 108 homes at \$275 to \$300K constructed in Years 2025 to 2028	Approximately 4 to 5 Years	WCSD: \$761,807 County: \$146,291 City: \$99,523	~ \$2.1 MM
Lowered Performance <i>'25 start, 1-yr bld. delay, 20%/yr</i> 108 homes at +30 to 40 new homes at \$216K to \$325K constructed 2025 to 2029 (...or -22 homes).	Approximately 7 to 8 Years	WCSD: \$401,517 County: \$77,104 City: \$52,454	~ \$716 K

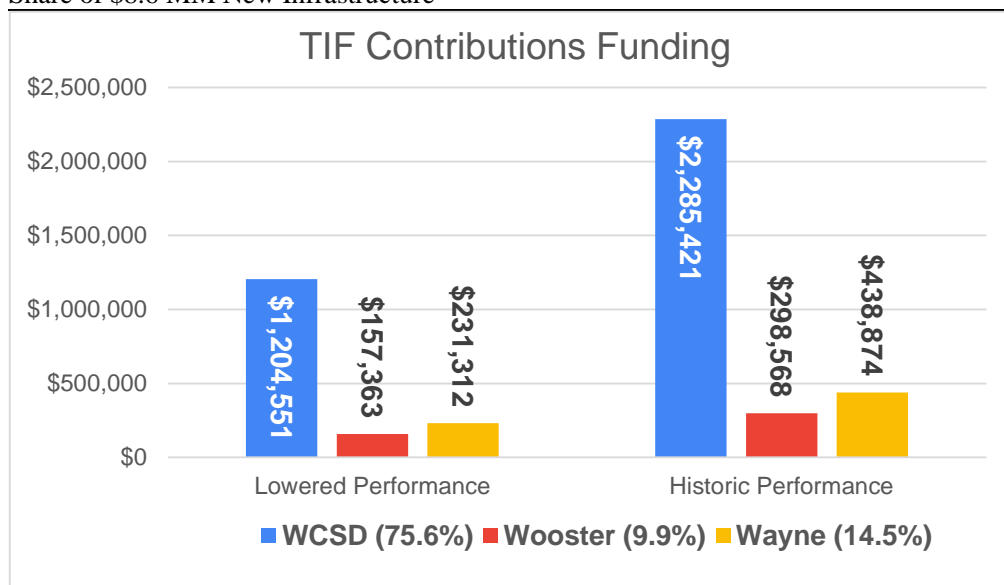
Source: City of Wooster, Economic Development estimate

- Wooster Development Company II, Ltd. will have responsibility for preparing the 40-acre site into 108 home plots, and is the party that will enter into a development agreement with the City of Wooster to secure access to public sanitary sewer and benefit from road improvements to Silver Road, without access fees.
 - Per standard Ohio practice, the Developer will sign an agreement committing to constructing 108 single-family homes on a schedule. If the construction *and* valuation schedules are not met, the Developer pays the deficit between the projected and actual PILOTs generated for an individual year, up the developer's maximum benefit.
 - The developer's maximum benefit is \$380,000, based on 50 percent of the Silver Road reconstruction, and 100 percent of the sanitary sewer construction estimates.
 - Developer will have an additional year in which to effect the construction of a home, with all homes to be constructed before the end of 2029, or alternatively, the development producing a minimum number of PILOTs.
 - To ensure sufficient revenues, a **development trigger** is recommended to commence the 10-year PILOT recovery term, set at 33% of the development's commitments (36 homes constructed, or total improved valuation achievement of \$10,620,000).
- The **Historic Performance** considers the **commitments** proposed by Spring Run 91-home subdivision project, assuming a 100% build-out over a four-year period, with an average sales price of \$295,000. Under this scenario, the City's cost for new infrastructure is recovered around **Year 4 to Year 5**.
 - This is the most probable *minimum* scenario based on current market conditions, but it is in excess of the developer's minimum commitment. If sale prices continue to rise, and buyers opt for larger models as with Spring Run, PILOT receipts may be higher.
 - In this scenario, the City recovers its investment within four to five years, similar to some longer infrastructure grant cycles. The development still provides a comfortable margin of PILOTs that may be reinvested for maintenance and expansion activities.

- The **Lowered Performance** scenario considers a year delay in full construction recognition, as some home building projects do not obtain a taxable valuation until the year *following* their construction. It also assumes a 20 percent build-out per year, and a 20 percent decrease in sale prices. (Or, effectively, a reduction of 22 homes).
 - This scenario represents performance in the event the development would encounter a typical delay or scope decrease due to market or other business and/or site development concerns. This level of performance may or may not meet the developer’s minimum commitments, depending on whether structures are actually built, and depending on actual PILOTs generated.
 - In this scenario, the City recovers its investment in **Year 7 to Year 8**, with some probable margin remaining to cover general maintenance of the new infrastructure and perhaps limited expansion activities. The developer may or may not be required to make a repayment on its proportional share of the infrastructure costs.
 - **Note:** To lower the risk of “lost years”, it is recommended to **employ a development trigger** in which the 10-year period for revenue redirection does not commence until after a certain number of homes or valuation is achieved. A range of 25% to 33% (delivery of 27 to 36 homes) is ideal, but may also delay the start of revenue collection by a year or more, although the threshold may always be amended legislatively later.)
- **Additional Considerations** may include that after reaching a “development trigger”, the development fails to move forward, whether due to a business or market issue. In this case, the developer remains responsible for its **\$380,000** share of new infrastructure costs. The City covers the remainder, in addition to any new public infrastructure and maintenance costs incurred.
 - Given market conditions, including constrained supply and demographics, this scenario is unlikely. The establishment of lots also advances the City’s interest in encouraging opportunities for housing development.
 - The City’s risk is limited and relatively absorbable, with remaining infrastructure amounting to about 25 percent of the City’s annual road budget.

The share of each partnering government’s investment within the TIF Incentive District depends on the level of development. **Figure 13** outlines how this varies, comparing an anticipated built-out based on historical performance, and a lower build-out that assumes a slower build-out. These figures do not include the City of Wooster’s other maintenance and support costs.

FIGURE 13
Share of \$8.6 MM New Infrastructure

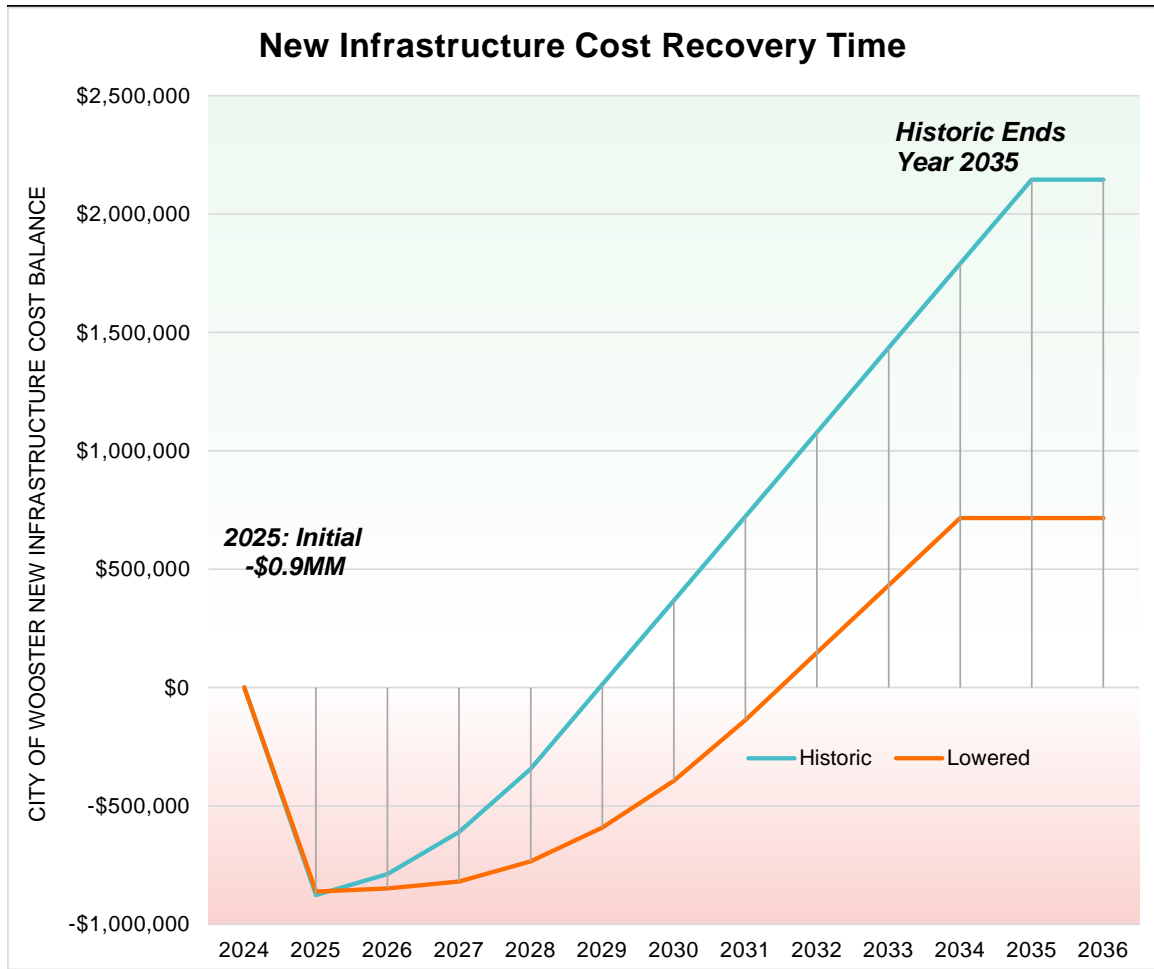


Source: City of Wooster Economic Development estimate.

Wooster City School District millage would redirect the largest amount of PILOTs, estimated to be between \$1.2 MM and \$2.8 MM; however, the district will see an **immediate gain** in revenues, amounting to a cumulative gain of \$401,517 to \$761,807, compared with what would have been achieved without the project. The provision of new housing would additionally support stabilization or possible growth of the community’s student population. County investment would range between \$231,000 and \$438,000, with a cumulative gain of \$77,104 to \$146,291 in new revenues, with the City contributing \$157,000 and \$298,000, and earning between \$52,454 and \$99,523 in new revenues.

Figure 14 outlines the timeline for recovering new infrastructure costs. Note, the initial years may be influenced based on actual performance, and specific **development trigger** (initial 36 homes constructed or improvement valuation of \$10,620,000) in which revenue recovery would first commence.

FIGURE 14
Revenue Gains At TIF Conclusion

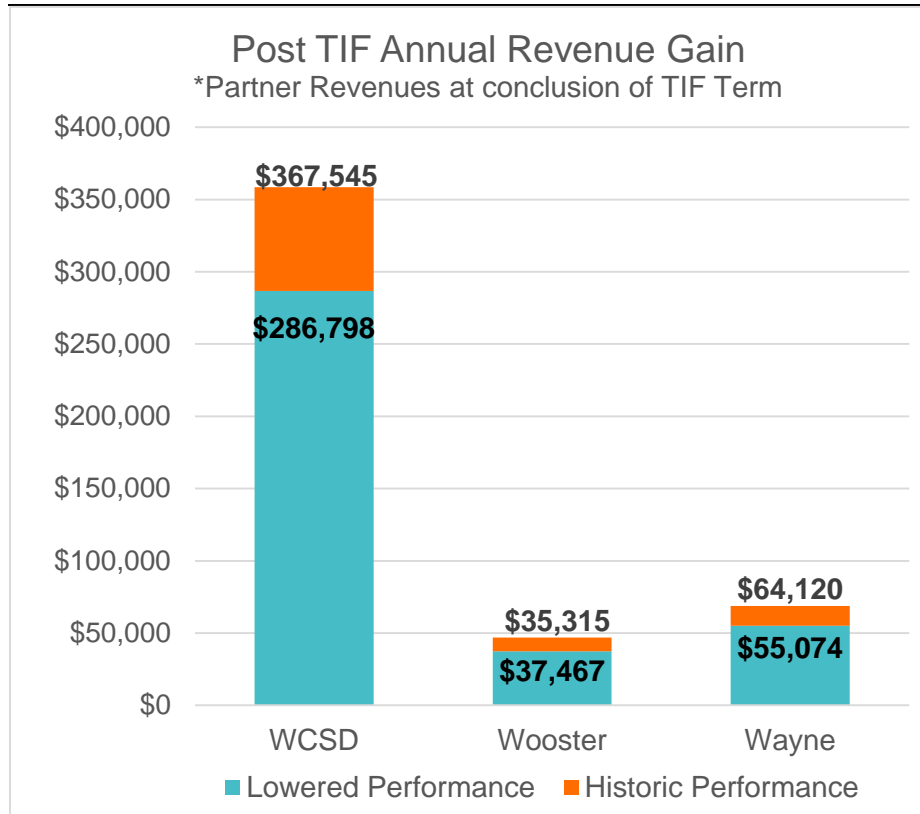


City of Wooster, Economic Development estimate.

Post-TIF, estimated around 2035, Wooster City School District could expect to earn an additional \$286,000 and \$367,000 annually, Wayne County \$55,000 to \$64,000, and the City between \$35,000 and \$37,000. (See **Figure 15**)

Note, the financial risk is ultimately born by the City. In the event the development becomes significantly delayed, or fails to proceed, the City will be responsible for all infrastructure costs not secured by a private development guarantee. Approximately **\$380,000** of the projected expense will be secured by guarantees from the Developer prior to commencing construction.

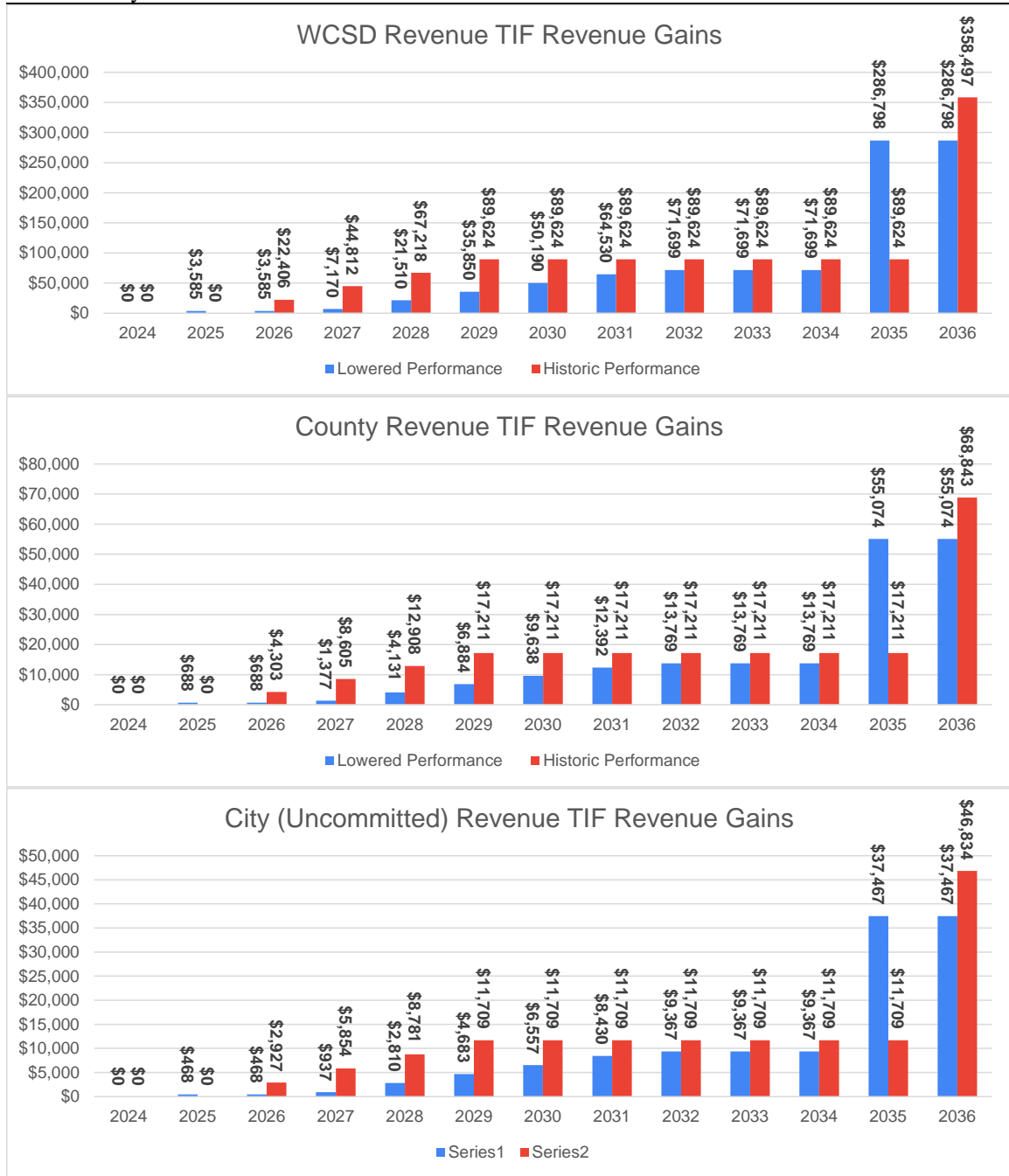
FIGURE 15
Revenue Gains At TIF Conclusion



Source: City of Wooster Economic Development estimate. Assumes a present millage rate of 43.711667 for Wooster City School District, 7.625723 for Wayne County, and 4.2 for the City of Wooster and constant level of valuation. In actuality, values are anticipated to increase, while millage rates (excluding “inside millage”) would be expected to decline. Note, TIF would not apply to new levies non-school, city, or county taxing districts on post-2006 levy increases. See Figure 21 for assumptions on development levels. For the purposes of this calculation, no additional levies are assumed.

Partner District Revenue Details: As shown in **Figure 15** and in **Attachment C**, real revenue gains commence with new construction. Shown are projected revenues to taxing district partners (which for the first ten years are the 25% of funds created that are *not* redirected to the TIF fund) assuming a historic level of performance (as observed at Spring Run), and a lowered performance. Both require the development to achieve a full build-out, or target valuation, to generate the projected revenues.

FIGURE 15
Partner Entity Revenue Gains



Assumes new construction revenues based on 25% of millage through recovery of new infrastructure costs.

Additional Impact Considerations

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 the local population generally supports workforce availability and the consumer spending base. 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. The specific market complications TIF is working to overcome include a loss of the region's homebuilding industry, diminishing workforce demographics, and very limited land availability in comparison to historical norms.

Student Impact: Assuming a similar demographic makeup as elsewhere in the City of Wooster, the owner-occupied housing subdivision is likely to add approximately 39 students to the Wooster City School District (*Census ACS 2022, see Table 2501, and 2023 DOE headcount figures*). Isolating for owner-occupied homes, estimates range from 33 students based on 43 students on the average headcount divided by non-retiree householder homes. Assuming all unit averages, the range may vary from a low of 27, based on the average pupils per household within the District, to a high of 58, based on the District's headcount averaged by non-retiree households.

At the same time, enrollment has varied from year to year, but in general, the total student population has slowly declined, about 1.3 percent annually since 2000, a loss of about 50 students each year. Coupled with other housing developments in the District, most likely, the development would serve to help stabilize the existing student population.

City Revenue Impact: Wooster City maintains a general fund budget of approximately \$33 MM amounting to a service cost of \$1,239 per person, or \$2,701 per household, which is used to fund police, fire, parks, and other resident services. On average, a typical new home at \$295,000 will generate \$433 annually in property taxes direct to the City of Wooster, which the City's revenues are based upon.

\$95,206 is the median income in Wooster for households with a mortgage (*Census 2022 ACS, S2506*). Applying this to 108 homes nets **\$10,282,248** in local income, and a taxable net of \$154,233. Much of this is likely already subject to either City of Wooster income tax or that of another jurisdiction's, but a portion can be expected to be new. Specifically, households moving into the neighborhood from nearby Wooster with household members employed in nearby jurisdictions with lower or no income taxes would support revenue growth, as would the increasing percentage of work-from-home cohorts. Further, housing capacity, in general, would serve to free up capacity for employers to retain or grow their existing ranks. Additionally, this introduces more *sustained* local spending (about **\$7.2 MM**) within the immediate economy, providing an additional boost for area non-basic-sector businesses.

Costs associated with water and sewer are supported with separate enterprise funds, and are user-paid systems. TIF provides an avenue to fund public sewer, along with potential maintenance, without long-term impact to these funds, to the benefit of all users.

RECOMMENDATION:

In accordance with the analysis herein, and its compatibility with the City of Wooster's 2023 Comprehensive Plan, the City of Wooster's Economic Development Office **RECOMMENDS** establishment of the Silver Road TIF Incentive District as proposed, due to its public benefit in funding new **public** infrastructure which will enhance existing safety conditions and improve access for current workers, visitors, residents, and future residents.

Alternatively, a no-build scenario would deprive Wooster of a significant housing opportunity at a time workforce is contracting, and employers are reporting being forced to examine other locations for their operations with more favorable workforce characteristics. It would also limit the City's ability to provide an important upgrade to its western industrial district, in and of itself among the County's top five largest employment centers.

With the creation of a TIF Incentive District, the City will be able to establish critical infrastructure to enable 108 new single family households, immediately generate new revenues for the tax base, support its base of students and workforce, and establish infrastructure without utilizing existing revenue streams.

Considerations for Recommendation:

- **TIF Incentive District Funded Projects must result in sufficient development capable of generating sufficient PILOT revenues to repay the cost of the infrastructure. In the absence of such development, the City must be prepared to repay its debts by other means. TIF Incentive District terms are not extendable, and properties may not be subject to TIF a second time.**

In summary, the proposal offers limited risk. Much of the cost is attributable to roadwork, which is already needed to provide proper access to the City's western employment center.

The proposed TIF Project cost of **\$877,000** factors in construction contingencies and approximates 50% of the City's annual road budget, which allows it to be financed internally. The City will undertake the responsibility of this cost in the event new construction does not generate sufficient revenues, but based on the developer's performance to date, market conditions, and the need for most of the infrastructure, even without further construction, the risk is minimal.

As part of a development agreement, the Wooster Development Company II, Ltd. would commit to constructing 108 homes over a five-year period at an average sales valuation of \$295,000 attaining a minimum valuation of \$31,860,000 MM. Factoring owner-occupancy deductions (calculated at 88%), the subdivision would be expected to generate approximately \$355,631 annually in its fourth of fifth year, which would be sufficient to attain recovery for the proposed **new infrastructure** over thirty years, with reasonable funds remaining for **maintenance and expansion**. The Agreement will require that the firm make minimum annual service payments in the event that the development does not produce sufficient PILOTs per its schedule, *limited* to the total cost of its attributable **Sewer System Extension** costs (estimated at **\$70,000**) and **50 percent** of the cost of the Silver Road **Reconstruction**.

- **PILOT revenues may be spent on public infrastructure only, or be redirected back to partner local governments (taxing entities.)**

The project proposes all PILOT revenues, which is 75% of the total new taxes to be generated, to be dedicated to constructing off-site public infrastructure, and maintaining both on and offsite infrastructure in the long-term. The Wooster City School District, Wayne County, and City of Wooster will immediately benefit from the 25% of new taxes not exempted. In addition to the new 108 residences proposed at Clear Creek, the improvements will support existing industrial users along Venture Boulevard by improving its secondary entrance. At the close of the TIF Incentive District, any funds not allocated for infrastructure, or maintenance of infrastructure, attributable to the development, are remitted to the local school district, county government, and city government in accordance to the millage rates which generated the PILOTs.

Attachments

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

- **Attachment A:** City of Wooster Engineer's Certification (*1 Page*)
- **Attachment B:** City of Wooster Engineer's cost estimates (*2 Pages*)
- **Attachment C:** Detailed Vicinity Map and Overlay Map (*2 Pages*)
- **Attachment D:** Financial Projections (*2 Pages*)

Submittal Certification

This Economic Development Plan was prepared by the City of Wooster's Office of Economic Development in accordance with ORC 5709.40(C), standard economic development practices, and codes of ethics for professional conduct.

Respectfully Submitted:



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End Document


Exhibit A

ECONOMIC DEVELOPMENT PLAN: Silver Road Tax Incremental Financing Incentive District

**CERTIFICATE OF CITY ENGINEER
PURSUANT TO OHIO REVISED CODE SECTION 5709.40(A)(5)(f)**

The developer of the incentive district shown on the attached map intends to develop a residential subdivision with up to 108 single-family homes within the City in order to increase available housing options within the City. The incentive district shown on the attached map is less than 300 acres in size and has a continuous boundary. Pursuant to Ohio Revised Code Section 5709.40(A)(5)(f), I hereby certify that the public infrastructure serving the incentive district shown on the attached map is inadequate to meet the development needs of the district as evidenced by the development plans for the district.





John Rice, PE - City Engineer

Silver Road Tax Incremental Financing Incentive District Map:



Exhibit B

ECONOMIC DEVELOPMENT PLAN: Silver Road Tax Incremental Financing Incentive District

**CITY OF WOOSTER
SILVER ROAD RECONSTRUCTION
PRELIMINARY CONSTRUCTION COST ESTIMATE
MAY, 2024**

ODOT ITEM	DESCRIPTION	QUANTITY	UNIT	UNIT COST	TOTAL
ROADWAY					
201	CLEARING AND GRUBBING	1	LS	\$8,000.00	\$8,000.00
203	EXCAVATION	1	LS	\$25,000.00	\$25,000.00
203	EMBANKMENT	1	LS	\$25,000.00	\$25,000.00
204	SUBGRADE COMPACTION	2,400	SY	\$2.00	\$4,800.00
204	EXCAVATION OF SUBGRADE	200	CY	\$20.00	\$4,000.00
204	GRANULAR MATERIAL (ODOT #1 AND #2 LIMESTONE)	200	CY	\$60.00	\$12,000.00
204	GEOGRID (#1 AND #2 AGGREGATE SIZE)	1,000	SY	\$5.00	\$5,000.00
608	CONCRETE WALK	6,000	SF	\$6.00	\$36,000.00
EROSION CONTROL					
653	TOPSOIL FURNISHED AND PLACED	600	CY	\$40.00	\$24,000.00
659	SEEDING AND MULCHING	5,000	SY	\$5.00	\$25,000.00
832	EROSION CONTROL	15,000	EACH	\$1.00	\$15,000.00
DRAINAGE					
602	CONCRETE MASONRY	2	CY	\$750.00	\$1,500.00
605	6" SHALLOW PIPE UNDERDRAINS	1,600	FT	\$12.00	\$19,200.00
611	6" CONDUIT, TYPE B (707.45)	100	FT	\$25.00	\$2,500.00
611	6" CONDUIT, TYPE C (707.45)	100	FT	\$20.00	\$2,000.00
611	12" CONDUIT, TYPE B, 706.02	350	FT	\$100.00	\$35,000.00
611	15" CONDUIT, TYPE B, 707.45	300	FT	\$120.00	\$36,000.00
611	INLET, DOUBLE CURB	2	EACH	\$3,500.00	\$7,000.00
611	INLET, SINGLE CURB	4	EACH	\$2,750.00	\$11,000.00
PAVEMENT					
301	ASPHALT CONCRETE BASE	370	CY	\$250.00	\$92,500.00
304	AGGREGATE BASE (LIMESTONE)	400	CY	\$60.00	\$24,000.00
407	TACK COAT	230	GALLON	\$2.50	\$575.00
441	ASPHALT CONCRETE SURFACE COURSE, TYPE 1	70	CY	\$275.00	\$19,250.00
441	ASPHALT CONCRETE INTERMEDIATE COURSE, TYPE 2	95	CY	\$250.00	\$23,750.00
609	COMBINATION CURB AND GUTTER, TYPE 2 (MODIFIED)	1,600	FT	\$30.00	\$48,000.00
WATER WORK					
638	FIRE HYDRANT RELOCATION	2	EACH	\$8,000.00	\$16,000.00
TRAFFIC CONTROL					
630	GROUND MOUNTED SIGNAGE	1	LS	\$2,500.00	\$2,500.00
642	PAVEMENT MARKINGS, TYPE 1	1	LS	\$2,500.00	\$2,500.00
644	THERMOPLASTIC PAVEMENT MARKINGS	1	LS	\$2,500.00	\$2,500.00
614	MAINTAINING TRAFFIC	1	LS	\$5,000.00	\$5,000.00
624	MOBILIZATION	1	LS	\$22,925.00	\$22,925.00
661	LANDSCAPING	1	LS	\$7,500.00	\$7,500.00
PRELIMINARY CONSTRUCTION ESTIMATE =					\$565,000.00
CONSTRUCTION CONTINGENCES (10%) =					\$55,000.00
TOTAL PRELIMINARY CONSTRUCTION ESTIMATE =					\$620,000.00



Prepared by: _____

John Rice
John Rice, P.E.

5/13/2024

**CITY OF WOOSTER
VENTURE BLVD SHARED USE PATH
PRELIMINARY PROJECT COST ESTIMATE
MAY, 2024**

ODOT ITEM	DESCRIPTION	QUANTITY	UNIT	UNIT COST	TOTAL
202	PAVEMENT REMOVED	350	SY	\$ 10.00	\$ 3,500.00
203	EXCAVATION AND EMBANKMENT	1	LS	\$ 25,000.00	\$ 25,000.00
204	SUBGRADE COMPACTION	2,150	SY	\$ 2.00	\$ 4,300.00
304	AGGREGATE BASE	335	CY	\$ 70.00	\$ 23,450.00
407	TACK COAT	130	GALLON	\$ 3.00	\$ 390.00
449	ASPHALT CONCRETE SURFACE COURSE (1-1/4")	60	CY	\$ 300.00	\$ 18,000.00
449	ASPHALT CONCRETE INTERMEDIATE COURSE (1-3/4")	80	CY	\$ 250.00	\$ 20,000.00
452	8" NON-REINFORCED PCC PAVEMENT, CLASS QC MS	350	SY	\$ 85.00	\$ 29,750.00
608	CURB RAMPS WITH DETECTABLE WARNINGS	2	EACH	\$ 5,000.00	\$ 10,000.00
611	MANHOLE ADJUSTED TO GRADE	2	EACH	\$ 750.00	\$ 1,500.00
614	MAINTAINING TRAFFIC	1	LS	\$ 7,500.00	\$ 7,500.00
630	NEW SIGNS, RELOCATED SIGNS, REMOVED SIGNS	1	LS	\$ 2,500.00	\$ 2,500.00
638	FIRE HYDRANT RELOCATION	2	EACH	\$ 8,000.00	\$ 16,000.00
638	WATER VALVE BOX ADJUSTED TO GRADE	2	EACH	\$ 500.00	\$ 1,000.00
642	PAVEMENT MARKINGS	1	LS	\$ 2,110.00	\$ 2,110.00
659	SEEDING AND MULCHING	1	LS	\$ 5,000.00	\$ 5,000.00
CONSTRUCTION ESTIMATE = \$					170,000.00
CONSTRUCTION CONTINGENCIES (~10%) = \$					17,000.00
TOTAL PROJECT COST ESTIMATE = \$					187,000.00



Signed: _____

Date: _____

May 13, 2024

Exhibit C

ECONOMIC DEVELOPMENT PLAN: Silver Road Tax Incremental Financing Incentive District

Exhibit C: Vicinity Map -Silver Road TIF Incentive District Summary

75%, 10-Yr TIF to support infrastructure for a 108-home single-family subdivision, developed/guaranteed by Wooster Development Company II Ltd, with homes built by Simply Ryan / Ryan Homes (non-party).



Location: 44 acres

Improvements & Cost:

Road reconstruction (840 ft): **\$620,000**

Sanitary Sewer Ext. (\$250 ft): **\$70,000**

Hike/Bike Trail Installation (1,470 ft): **\$187,000**

Future Trail connection: TBD, as funds available

Long-term roadway maintenance: TBD, as funds available

Trail maintenance: TBD, as funds available

Park maintenance: TBD, as funds available

Additional Infrastructure: TBD, as funds available

Minimum: \$877,000

Terms: 10-yrs, 75%. Personal guarantee by developer for sanitary sewer and portion of roadway.

Timeline: Developer has property under contract.

June 20, 2024: Zoning becomes effective.

July: Planning Commission Preliminary Development Plan

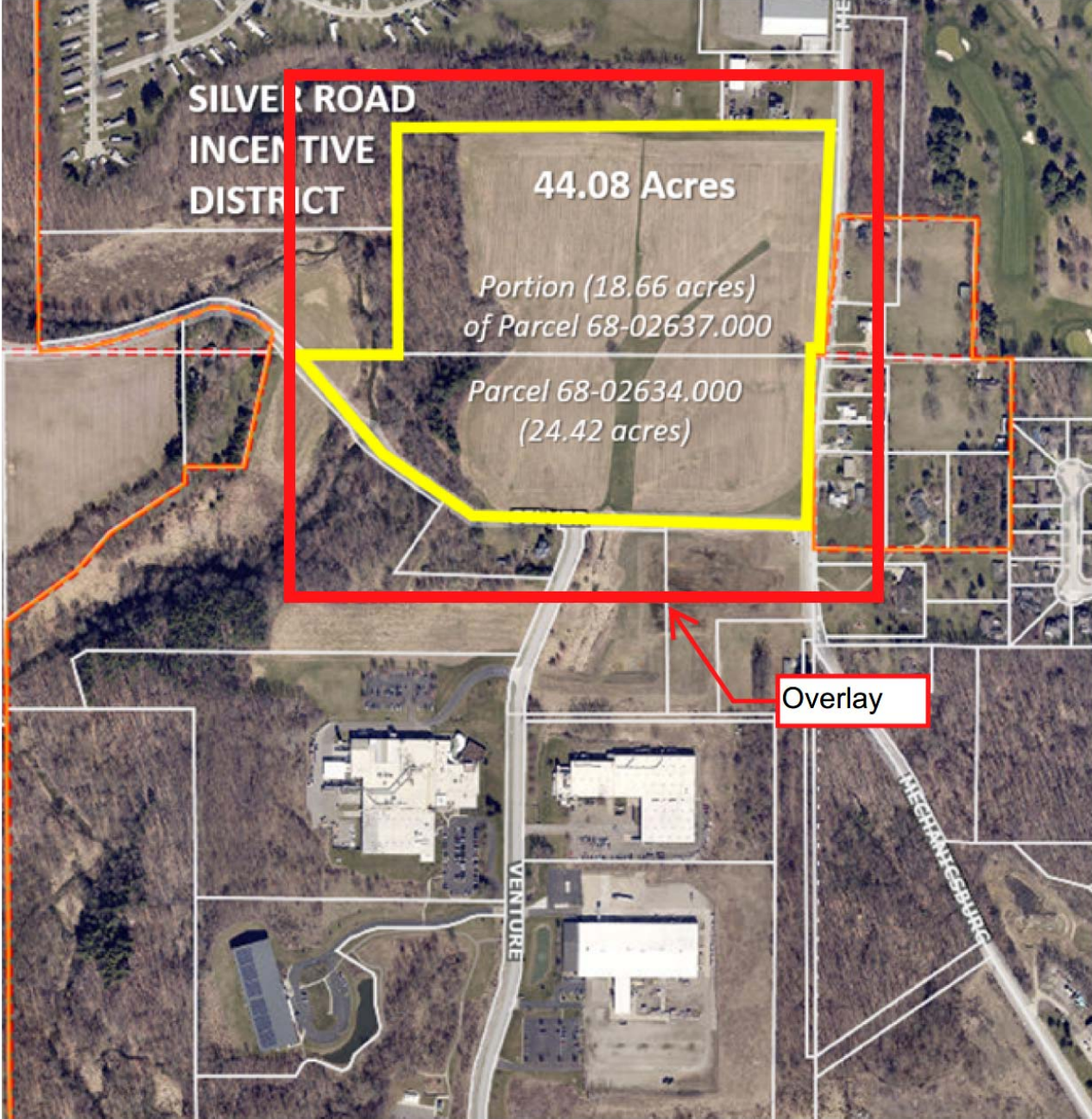
August: Earliest Planning Commission Final Development Plan Approval

September / October: Possible Groundbreaking.

Construction: Roadway2025.

Silver Road Tax Increment Financing Incentive District with Overlay

(Exhibit B: Page 2 of 2)



TIF Incentive District boundary demarcated by yellow boundary, overlain Wayne County Auditor 2024 aerial for reference (<https://waynecountyauditor.org/Map>)

Exhibit D

ECONOMIC DEVELOPMENT PLAN: Silver Road Tax Incremental Financing Incentive District

ATTACHMENT D

2024 Silver Rd TIF

Historic Performance Assumes 2026 first realized year with 25% construction completed annually at the minimum advertised pricing

Development & Revenue Model - Silver Rd TIF

Clear Creek / SimplyRyan	\$31,860,000	
Effective Valuation (Owner-Occupied)	\$31,860,000	Average home sale assumptions
Average Sales Price	\$295,000	50% SimplyRyan Product ("low 200's to \$350k"): \$270,000 avg x 54 = \$14,580,000
Number of Units	108	50% Core Ryan Product ("mid 200's to \$400k"): \$325,000 avg x 54 = \$17,280,000
Apply Owner Exemptions	YES	Valuation Per Home
Portion of Development Built per Year:	See Table	Units Developed
Addition Development Years Out:	NO	Adds 12% Reduction
City Financing of Incentive:	NO	
Lifetime TIF Revenue:	\$3,022,863	
New Public Infrastructure:	\$877,000	Estimated Cost
Roadway (Includes contingency)	\$620,000	
Sanitary Sewer Extension	\$70,000	
Clear Creek Trail	\$187,000	
Maintenance / Expansion:	\$2,145,863	

	% Built (Recognized)	Redirected Revenues			Total PILOTS		Realized NEW Revenues					Carrying Deficit		
		City	WCSD	County	Annual	Cumulative	WCSD	Other	WCSCC	Library	City	County	City Expenditure	City Debt
		75% of 4.2	75% of 32.1	75% of 6.2			32.149347	0.682452	2.323346	0.894442	4.2	6.173702		
2026	25%	\$8,781	\$67,218	\$12,908	\$88,908	\$88,908	\$22,406	\$1,903	\$6,477	\$2,493	\$2,927	\$4,303	\$877,000	(\$788,092)
2027	50%	\$17,563	\$134,437	\$25,816	\$177,815	\$266,723	\$44,812	\$3,805	\$12,954	\$4,987	\$5,854	\$8,605	0	(\$610,277)
2028	75%	\$26,344	\$201,655	\$38,724	\$266,723	\$533,446	\$67,218	\$5,708	\$19,431	\$7,480	\$8,781	\$12,908	0	(\$343,554)
2029	100%	\$35,126	\$268,873	\$51,632	\$355,631	\$889,077	\$89,624	\$7,610	\$25,908	\$9,974	\$11,709	\$17,211	0	\$12,077
2030	100%	\$35,126	\$268,873	\$51,632	\$355,631	\$1,244,708	\$89,624	\$7,610	\$25,908	\$9,974	\$11,709	\$17,211	0	\$367,708
2031	100%	\$35,126	\$268,873	\$51,632	\$355,631	\$1,600,339	\$89,624	\$7,610	\$25,908	\$9,974	\$11,709	\$17,211	0	\$723,339
2032	100%	\$35,126	\$268,873	\$51,632	\$355,631	\$1,955,970	\$89,624	\$7,610	\$25,908	\$9,974	\$11,709	\$17,211	0	\$1,078,970
2033	100%	\$35,126	\$268,873	\$51,632	\$355,631	\$2,311,601	\$89,624	\$7,610	\$25,908	\$9,974	\$11,709	\$17,211	0	\$1,434,601
2034	100%	\$35,126	\$268,873	\$51,632	\$355,631	\$2,667,232	\$89,624	\$7,610	\$25,908	\$9,974	\$11,709	\$17,211	0	\$1,790,232
2035	100%	\$35,126	\$268,873	\$51,632	\$355,631	\$3,022,863	\$89,624	\$7,610	\$25,908	\$9,974	\$11,709	\$17,211	0	\$2,145,863
2036	100%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0	\$2,145,863
Total Gain During TIF Period		\$298,568	\$2,285,421	\$438,874	\$3,022,863	\$3,022,863	\$761,807	\$64,685	\$220,215	\$84,778	\$99,523	\$146,291		
Annual Post TIF Revenues							\$358,497	\$7,610	\$25,908	\$9,974	\$46,834	\$68,843		

ATTACHMENT D

2024 Silver Rd TIF

Lowered Performance Assumes 2025 Start with 1-year construction offset, build-out at 20% per year, and 80% suppression of sale price.

Development & Revenue Model - Silver Rd TIF

Clear Creek / SimplyRyan	\$25,488,000
Effective Valuation (Owner-Occupied)	\$25,488,000
Average Sales Price	\$236,000
Number of Units	108
Apply Owner Exemptions	YES
Portion of Development Built per Year:	See Table
Addition Development Years Out:	NO
City Financing of Incentive:	NO
Lifetime TIF Revenue:	\$1,593,226
New Public Infrastructure:	\$877,000
Roadway (Includes contingency)	\$620,000
Sanitary Sewer Extension	\$70,000
Clear Creek Trail	\$187,000
Maintenance / Expansion:	\$716,226

Average home sale assumptions

50% SimplyRyan Product ("low 200's to \$350k"): \$216,000 avg x 54 = \$11,664,000

50% Core Ryan Product ("mid 200's to \$400k"): \$325,000 avg x 54 = \$13,824,000

	% Built (Recognized)	Redirected Revenues			Total PILOTS		Realized NEW Revenues						Carrying Deficit	
		City	WCSD	County	Annual	Cumulative	WCSD	Other	WCS	Library	City	County	City	City
		75% of 4.2	75% of 32.1	75% of 6.2	Revenue	Revenue	32.149347	0.682452	2.323346	0.894442	4.2	6.173702	Expenditure	Debt
2025	5%	\$1,405	\$10,755	\$2,065	\$14,225	\$14,225	\$3,585	\$304	\$1,036	\$399	\$468	\$688	\$877,000	(\$862,775)
2026	5%	\$1,405	\$10,755	\$2,065	\$14,225	\$28,450	\$3,585	\$304	\$1,036	\$399	\$468	\$688	0	(\$848,550)
2027	10%	\$2,810	\$21,510	\$4,131	\$28,450	\$56,901	\$7,170	\$609	\$2,073	\$798	\$937	\$1,377	0	(\$820,099)
2028	30%	\$8,430	\$64,530	\$12,392	\$85,351	\$142,252	\$21,510	\$1,826	\$6,218	\$2,394	\$2,810	\$4,131	0	(\$734,748)
2029	50%	\$14,050	\$107,549	\$20,653	\$142,252	\$284,505	\$35,850	\$3,044	\$10,363	\$3,990	\$4,683	\$6,884	0	(\$592,495)
2030	70%	\$19,670	\$150,569	\$28,914	\$199,153	\$483,658	\$50,190	\$4,262	\$14,508	\$5,585	\$6,557	\$9,638	0	(\$393,342)
2031	90%	\$25,290	\$193,589	\$37,175	\$256,054	\$739,712	\$64,530	\$5,479	\$18,653	\$7,181	\$8,430	\$12,392	0	(\$137,288)
2032	100%	\$28,101	\$215,098	\$41,306	\$284,505	\$1,024,217	\$71,699	\$6,088	\$20,726	\$7,979	\$9,367	\$13,769	0	\$147,217
2033	100%	\$28,101	\$215,098	\$41,306	\$284,505	\$1,308,722	\$71,699	\$6,088	\$20,726	\$7,979	\$9,367	\$13,769	0	\$431,722
2034	100%	\$28,101	\$215,098	\$41,306	\$284,505	\$1,593,226	\$71,699	\$6,088	\$20,726	\$7,979	\$9,367	\$13,769	0	\$716,226
2035	100%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0	\$716,226
Total Gain During TIF Period		\$157,363	\$1,204,551	\$231,312		\$1,593,226	\$401,517	\$34,093	\$116,066	\$44,683	\$52,454	\$77,104		
Annual Post TIF Revenues						Post TIF>>	\$286,798	\$6,088	\$20,726	\$7,979	\$37,467	\$55,074		