

RECORD OF PROCEEDINGS

HeldJanuary 3, 202320

The Council of the City of Milford met in Council Chambers at 745 Center Street at 6:00pm on January 3, 2023.

Mayor Evans called the City Council Special Meeting/Work Session to order

Roll Call

Present: Mayor Lisa Evans, Vice Mayor Sandy Russell, Mr. Parrish, Janet Cooper and Kim Chamberland. Mr. Parrish made a motion to excuse Mr. Mitchell and Mr. Redman. Seconded by Ms. Chamberland All yes. Mr. Redman arrived a few minutes later. Also present was City Manager, Michael Doss.

Discussion: TIF Analysis Presentation

MICHAEL DEANPUBLIC FINANCE LAWYER DINSMORE & SHOHL LLP
JACKSON KLEINVISION DEVELOPMENT
PETE LAROSEVISION DEVELOPMENT
PAT WIRTHLINCITY OF MILFORD FINANCE DIRECTOR
CHRISTINE CELSORCITY OF MILFORD PLANNING AND COMMUNITY DEVELOPMENT COORDINATOR

City of Milford, Ohio
Economic Development Analysis
For Prospective Multi-family Community Michael Dean
michael.dean@dinsmore.com
Located along Rivers Edge Drive
January 3, 2023

Work Session Discussions included the following information -

Project Description
Project Location
Process for Creation of a Tax Increment District
Economic Impact of Creation of Tax Increment District and Foregoing Service Payments
Considerations Unique to this Request
City Income Tax Revenue Impact
Other Considerations
Contact Information

PROJECT DESCRIPTION

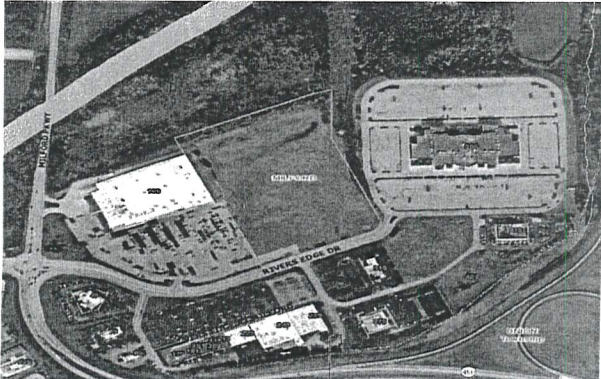
- » Developer: Vision Development
- » Acreage: 11.415 acres
- » Location: Parcel No. 210736.077, Rivers Edge Drive
- » Project Description: Construction of approximately 300 – 345 high-end luxury multi-family units with the prospects of some condominiums or townhomes
- » Target Population: Mobile young professionals and empty-nesters looking to downsize

PROJECT DESCRIPTION (continued)

- » Estimated Project Cost: \$50 - \$60+ million
- » Construction Period: Begin in the Fall 2023; completion is estimated to take 18 – 24 months
- » Request from the Developer of the City: The City is being asked to consider the creation of a 10-year/75% commercial tax increment district with non-collection of service payments, effectively creating a property tax exemption. The result of non-collection of service payments is that there will be no service payments for public infrastructure improvements. In this case, the development will benefit from existing public infrastructure.

PROJECT LOCATION

Large Scale



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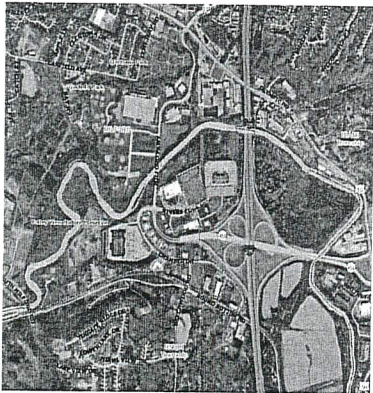
Minutes of

Meeting

GOVERNMENT FORMS & SUPPLIES 844-224-3338 FORM NO. 10148

Held _____ 20 _____

Small Scale



PROCESS FOR CREATION OF A TAX INCREMENT DISTRICT

- » Conversation(s) with impacted parties
- » 14-day notice to the school district and JVS
- » Contact County Auditor identifying the City’s intent to forego service payments
- » Adoption of an ordinance creating TIF
- » Provide Ohio Department of Development with a copy of the legislation
- » Confirm compliance with requisite zoning regulations
- » Developer to pay-off all taxes on property
- » Filing of DTE-24 Form (property owner to sign in order to maintain priority of exemption)
- » Tax Incentive Review Council (TIRC) annual report

ECONOMIC IMPACT OF CREATION OF TAX INCREMENT DISTRICT AND FOREGOING SERVICE PAYMENTS

- » Assumptions: Two-year build-out; \$50 million total market valuation; 10-year TIF exemption of 75% of improved value (25% of improved value remaining subject to taxation)
- » Estimated Tax Exemption Due to Increased Value: Aggregate \$13.8 million over the 10-year exemption period, which is an average of \$1.39 million per year
- » Estimated Taxes Collected on Base Value and Non-Exempt Property: Aggregate \$4 million, which is an average of \$404,000 per year

CONSIDERATIONS UNIQUE TO THIS REQUEST

- » Public infrastructure already exists to accommodate this prospective development
 - » examples: roads, water, sewer, intersections
 - » receipt of TIF service payments not essential for infrastructure
- » Expanding Pre-1994 CRA not an option
- » CRA formation for this project
 - » formation of CRA’s is often done for areas rather than specific parcels
 - » time intensive; risk of untimely response
 - » benefits of a CRA are not materially different than the proposed approach
- » Property tax exemption is essential to Project feasibility
- » Formation of tax increment district and foregoing service payments effectively lowers project costs and serves as a reduction in rents for tenants

CITY INCOME TAX REVENUE IMPACT

- » City Income Tax from Additional Households:
- » Median Household Income (2021): \$67,188
- » Estimated New Households: 300 to 345
- » Estimated Total New Taxable Income: \$20,156,400 to \$23,179,860
- » Income Tax Rate: 1.00%
- » Estimated New City Income Taxes (annually): \$201,564 to \$231,799

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CITY INCOME TAX REVENUE IMPACT (continued)

- » City Income Tax from Construction-Related Jobs:
 - » Estimated Construction Period: 24 months
 - » Estimated Construction Jobs: 55
 - » Estimated Annual Wage: \$55,000
 - » Estimated Constriction Taxable Income: \$3,025,000
 - » Income Tax Rate: 1.00%
 - » Estimated New City Income Taxes (annually) (limited to the construction period): \$30,250

OTHER CONSIDERATIONS

- » Increase in City’s assessed valuation
- » Attraction of complimentary businesses/service industries; development of adjacent parcel (425 Rivers Edge Drive between Cracker Barrel and former Ruby Tuesday)
- » Impact on the school district: assuming 0.5 students per unit = 150 students x \$6,000/year = \$900,000
- » Impact on police and fire services

Impact on traffic

OTHER CONSIDERATIONS (continued)

- » Due Diligence related to the Developer/Project
 - » Title search
 - » Environmental Phase I
 - » Demand/Market Survey
 - » Traffic Study
 - » Sources/Uses of Project Funds
 - » Payroll impact at the Project Site
 - » Zoning
- » Existing transportation facilities to accommodate traffic flow (i.e. bus services/park & ride)

Mr. Doss asked for points of reference: Mr. Klein referred to: The Ave located in Columbus Ohio. Mirada, The Pointe, The Bend in the Columbus Cleveland areas

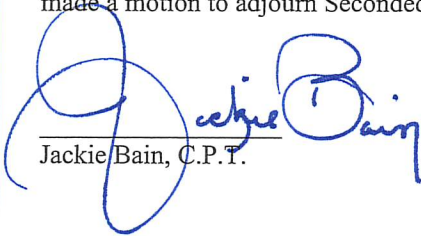
Ms. Wirthlin discussed tax incentives

Ms. Celsor discussed Zone Changes and how the process for design would come back to Council


CONTACT INFORMATION

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Adjourn: There being no further business to come before the City Council; the Special Meeting/Work Session was adjourned at 7:48 pm Mr. Parrish made a motion to adjourn Seconded by Ms. Chamberland All yes



Jackie Bain, C.P.T.



Lisa Evans, Mayor