

## MINUTES OF PUBLIC HEARING

March 20, 2017

### Temp. Ord. B-15

**Creating a Tax Increment Financing Incentive District; declaring improvements to the parcels within the Incentive District to be a public purpose and exempt from real property taxation; requiring the owners of those parcels to make service payments in lieu of taxes; establishing a Municipal Public Improvement Tax Increment Equivalent Fund for the deposit of those service payments; and specifying the public infrastructure improvements that benefit or serve parcels in the Incentive District.**

On the 20th day of March 2017, at 2345 Fourth Street, Cuyahoga Falls, Ohio at 6:33 p.m. EST, a public hearing was called to order and conducted regarding Temp. Ord. B-15 dealing with amending specific sections of the Codified Ordinances of the City of Cuyahoga Falls, Ohio. Notice of the hearing was published twice in the Falls News Press, a newspaper of general circulation in the City of Cuyahoga Falls, at least fourteen days prior to the date of the hearing, to-wit February 19, 2017. A true and accurate copy of the published Notice is attached to these Minutes.

Three people spoke in support of the legislation. Fred Guerra, Planning Director of the City of Cuyahoga Falls, stated he was there to speak in favor of the Tax Increment Financing District and wanted to go over the process that got them to this point. Katherine Holmok, from Environmental Design Group, was also there to answer some questions on some of the technicalities. This ordinance is as a result of the Master Plan that was done starting in 2014 and 2015 with the Mill Pond/Mud Brook Greenway Master Plan. The Master Plan started because the City bought a lake at the end of a Greenway that was created in the 1970's and 1980's as part of the deal to have Menards at the former Giant Eagle. The City had to figure out how they could integrate Mill Pond with the open space that was either donated or purchased by the City around Mud Brook. It can be integrated with the lake, because, hydraulically, they are the same. The water that goes in Mud Brook goes into this pond. As the water gets high, it goes over the dam and it goes down to Mud Brook. They received a partial grant from the Ohio & Erie Canalway to do a Master Plan of how this open-space corridor will be maintained and used. That started around 2015. The City hired Environmental Design Group to do the Master Plan. When the plan originally started, it was going to be only for trails, but it was quickly found out that there was a lot more going on in the Greenway and ecological restoration had to be done, including stream bank stabilization, flood plain wetland storage, design standards for mud ways and flood plain protection to take water that was coming off the development that occurred around Mud Brook from the 1970's to today. A phasing plan and a prioritization plan were developed.

Cuyahoga Falls is at the end of the funnel in the Mud Brook watershed when it gets to water. Everything that comes in from Hudson, Stow and parts of Boston Heights goes into Mud Brook and comes down through to a small area. When it comes

**Public Hearing**  
**March 20, 2017 – Page 2**

to water problems it is just not Cuyahoga Falls, it is everybody north of the city. An area was defined that was going to be studied as the project area. It included an area that was mostly owned by the City, the Mud Brook Greenway and the pond or lake that was purchased. This area, at one time, was R-8 zoning. It is now R-5. All this development now goes into Mud Brook and it causes problems. The plan deals with this area. Opportunities and constraints were considered. The opportunities were that the City owned all this property here, and because of that, things could be done like storing water and putting in trails. The City owns a pond that can be dredged and a dam that can be regulated. There is a lake that couldn't be used before that will be cleaned. There will be development parcels available. Some of the constraints were a Brownfield at the end of Pleasant Meadow because there was a gun club there. There is probably between \$500,000 and \$1 million worth of cleanup on that site. There are also water problems.

The Master Plan is restoring wetlands, cleaning the gun club, looking at how water comes over from this development and creating large retention areas that are for storm water management while allowing for new development in certain areas. This is a large project, so it had to be phased. Four phases and two incentive districts, one north and one south, were created. Within those incentive districts, there were several things that had to be done to improve both storm management and to open space. To do everything correctly in the Mud Brook, which is the north, and the Mill Pond, which is the south, and to clean up the environmental is about \$12.5 million. The City can make application for ODNR grants and just received one in the amount of \$625,000 to get started. A grant was received to purchase the Hunter Barn. However, there is no one that would give the City a \$12-million grant, so a different approach had to be taken. It's very important to take care of flooding. If you look at Phase I, it's \$3.6 million; Phase II, \$3.1 million; Phase III, \$1.8 million and Phase IV, \$3.2 million. This is for a 20-year period. A different way needed to be found in order to make this work. When this process began, there were development projects waiting. It was decided to try to capture the funding from these development projects to improve this area of the city. Moving forward, the Law Department and a firm that does Tax Increment Financing developed this ordinance. What it does is it takes 75 percent of the increase in assessed values from improvements and makes it exempt in the TIF incentive district for 10 years. In other words, if any new development occurs, the City will take 75 percent of the property taxes this new development would pay and, instead of paying a property tax, put that money in a payment in lieu of taxes that would go into a special account. That special account will be used to do the Mill Pond/Mud Brook Municipal Tax Incentive Equivalent Fund. Basically, 75 percent of those taxes will do the things that need to be done in the plan: Create storm water retention areas, build trails, dredge the Mill Pond and fix the dam. Those matching funds can also be used to apply for other grant funds, so once the money is put together, there will be matching funds to go to ODNR, go to the USEPA, or go to other sources to apply for money.

When this project was started, there were two tax incentive districts, a northern and a southern one. It was determined it was too large of an area, so the first district was created. Most of this district is all City-owned property; however, some key

**Public Hearing**  
**March 20, 2017 – Page 3**

development properties were included. On Wyoga Lake Road, there is a large parcel here that is zoned industrial. That was included, so if anything gets developed there, they would make the payment in lieu of taxes. At the end of Pleasant Meadow, there is another development site. Over the years, there has been plans to develop housing there. There is now a proposal for senior housing. There is the Enclave at Mud Brook. There are going to be 67 new townhome condominium units there. The City had already given tax abatement to Menards, but there is an out parcel where Tax Increment Financing can be done. There is also an area at the cul-de-sac called People's Place that could be developed, and then there's some development property on the side. So, there are several acres that can be developed where this TIF can be used to fund. When looking at this TIF district, it is 64 percent undeveloped, or 124 acres. That includes areas like the Wyoga Lake Road property and the Enclave property. There is about 36 acres will always be dedicated to open space. There is undeveloped area also could be moved into open space moving forward. There is 20 percent as residential, 15 percent as commercial and no mixed use or industrial. Of that undeveloped property, there is about 28 percent that is open space that will remain open space. At the end of the day, there is about 89 acres that can be developed.

The City looked at what the property values are in that district in 2017. They did the commercial and an equivalent of the development that could happen or other development based on acreage. What they came up with is, in commercial, over the next 20 years, another \$10.7 million in industrial development on that property on Wyoga Lake and about \$15 million in residential with the Enclave and the actual senior housing. The Enclave is valued between \$17 million and \$22 million, and the senior housing is between \$10 million and \$20 million. There is mixed use on State Road and open space. There could potentially be \$72 million that could be invested in this area in the next 20 years. In subtracting the difference, that's about \$62 million dollars. This is based on what if, but it is based on acreage versus what can be developed on acreage. In looking at that, based on \$62 million of new development and property taxes of 35 percent, the City's millage, about \$9 million can be generated over the next 20 years through the TIF on taxes. By doing this TIF, the City could move the money that new development pays in taxes to be the most direct way of paying taxes to help the property owner. When a property owner pays property taxes, they go to the school district and go to all the different levies. The difference will still be paid, but the taxes will be coming back to the area to do the improvements. If a property is not being developed, there is no payment in lieu of taxes. Just new development gets the payment in lieu of taxes. So, again, it gets new development and it has 75 percent of the new taxes being used to fund retention basins, Brownfield cleanups, trails, dredging of ponds, fixing of dams, bike lanes, renovating of historic buildings, the barn, doing stream bank restoration. Mud Brook has so much water going in it that it needs to be restored. It was a perfect storm to do this Tax Increment Financing and it allows us to do this work.

**Public Hearing**  
**March 20, 2017 – Page 4**

Mr. Russell Balthis, Law Director, stated that this is provided for in Ohio Revised Code. It sets up the process. The best part of this is the use of property taxes that would have to be paid anyway that have to be used in the area as part of this plan. to address a serious need with the storm water issues that are currently there. Ms. Katherine Holmok, stated that water knows no jurisdictional boundaries and storm water and flooding is all about time and regional necessity. Cuyahoga Falls is at the bottom of the funnel, so it cannot control what happens in other cities, but can control what happens here. The opportunities that are presented with this plan can allow for a lot of storage and beautiful places made from storage. As an example, the wetlands that are in the Metro Parks are beautiful spaces, but they also control water, allow wildlife to be there and slow the water down. They allow it to go into the ground and allow for bugs and bunnies to exist. That's what they are proposing with this plan and the TIF helps fund that.

No further comments, either for or against the legislation, were offered by anyone in attendance. Council President, Mary Ellen Pyke, declared the public hearing closed at 6:49 p.m.

Certification

The undersigned, Dana M. Capriulo, Clerk of Cuyahoga Falls City Council, hereby certifies that the foregoing is a true and correct copy of the minutes of the public hearing held by the Council of the City of Cuyahoga Falls, Ohio at 6:30 p.m. on Monday, March 20, 2017, in the City Council meeting room located in the Cuyahoga Falls Natatorium.

Dated: April 10, 2017

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Dana M. Capriulo, Clerk  
Cuyahoga Falls, Ohio City Council

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**Proof of Publication**

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30 South Zone a newspaper printed and published in the city of Kent, and of General circulation in the County of Portage, State of Ohio, and personal knowledge of the facts herein stated and that the notice hereto annexed was Published in said newspapers for 1 insertions on the same day of the week from and after the 19th day of February, 2017 and that the fees charged are legal.

*Joyce Thompson*

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*Elizabeth McDaniel*

Elizabeth McDaniel  
Notary Public  
Commission Expires June 19, 2021

**LEGAL NOTICE**

Notice is hereby given that there will be a Public Hearing in the Council Chambers in The Natatorium, 2345 Fourth Street, Cuyahoga Falls, Ohio on Monday, March 20, 2017 at 6:30 PM relative to the ordinance bearing temporary number B-15

CREATING A TAX INCREMENT FINANCING INCENTIVE DISTRICT; DECLARING IMPROVEMENTS TO THE PARCELS WITHIN THE INCENTIVE DISTRICT TO BE A PUBLIC PURPOSE AND EXEMPT FROM REAL PROPERTY TAXATION; REQUIRING THE OWNERS OF THOSE PARCELS TO MAKE SERVICE PAYMENTS IN LIEU OF TAXES; ESTABLISHING A MUNICIPAL PUBLIC IMPROVEMENT TAX INCREMENT EQUIVALENT FUND FOR THE DEPOSIT OF THOSE SERVICE PAYMENTS; AND SPECIFYING THE PUBLIC INFRASTRUCTURE IMPROVEMENTS THAT BENEFIT OR SERVE PARCELS IN THE INCENTIVE DISTRICT.

By Order of the Clerk of Council  
Dana Capriulo  
FN, Feb 19, 2017, 12284476