

INTERNAL MEMORANDUM


Office of the City Administrator

Springdale, Ohio

February 2, 2024

To: Mr. Jeffrey Anderson
President
Springdale City Council

From: John J. Jones
City Administrator



Re: Report on Pending and Future Legislation

Item I

An Ordinance Amending Chapter 39 of the Code of Ordinances of the City of Springdale, Ohio

In November 2021, the electorate of Springdale voted to approve an amendment to the City of Springdale Charter that would eliminate the elected position of Clerk of Council/Finance Director and all references to the position within the Charter. The changes took effect December 1, 2023, upon expiration of the term of office for the most recent Clerk of Council/Finance Director. A large number of references to the position are included throughout the Springdale Code of Ordinances. Council has approved legislation in recent months to address a number of those references.

This legislation will amend Chapter 39 of the Springdale Code of Ordinances relating to the deposit and investment procedures of the City. Responsibilities designated to the former elected position will now be the responsibility of the appointed Finance Officer/Tax Commissioner. Additionally, the investments section will be amended consistent with Ohio Revised Code Section 135.14.

An ordinance amending Chapter 39 of the Code of Ordinances of the City of Springdale, Ohio came before Council for a first reading at the **01/17/2024** meeting. A second reading is scheduled for the **02/07/2024** meeting.

Item II

An Ordinance Amending Chapter 154 of the Code of Ordinances of the City of Springdale, Ohio

Chapter 154 of the Springdale Code of Ordinances outlines the City's flood control regulations. The Federal Emergency Management Agency (FEMA) and the Ohio Department of Natural Resources (ODNR) work together to periodically update flood control regulations which then need to be reviewed and adopted by state and local governments to maintain compliance. Our Building Official has reviewed the updates distributed by FEMA/ODNR, and the proposed revisions to this Chapter are reflective of the new guidelines issued that are applicable to Springdale.

An ordinance amending Chapter 154 of the Code of Ordinances of the City of Springdale, Ohio came before Council for a first reading at the **01/17/2024** meeting. A second reading is scheduled for the **02/07/2024** meeting.

Item III

An Ordinance Authorizing the City Administrator to Enter Into a Memorandum of Understanding with the State of Ohio Department of Transportation for the Use of Jobs and Commerce Funds to be Applied to the Cost of the Northland Boulevard Reconstruction Project and Declaring an Emergency

The City continues to seek outside funding to offset the cost of the Northland Boulevard Reconstruction project scheduled for 2024. We have recently been notified of a grant awarded through the Ohio Department of Transportation, utilizing funds through the Office of Jobs and Commerce. The grant is structured to reimburse the City for project expenses incurred for 3% of the total project cost, with a maximum award of \$175,000.

An ordinance, with an emergency clause, authorizing the City Administrator to enter into a memorandum of understanding with the Ohio Department of Transportation for the use of Jobs and Commerce funds will be before Council at the **02/07/2024** meeting.

Item IV

An Ordinance Authorizing the Execution of an Agreement with Enable Injections, Inc. Related to a Job Retention and Creation Incentive Agreement and Declaring an Emergency

Enable Injections, Inc. is proposing to establish manufacturing operations in Springdale in the newly completed building at Springdale Commerce Park, located at 1110 Strategic Parkway. The company is committing to create approximately 200 jobs over a three-year period with an average annual salary of \$94,735, for a total payroll of \$18,947,000 by 2027. The proposed incentive is a 13-year Letter-of-Credit (LOC) with staggered percentages.

Please note our incentive agreement language has been modified to deduct individual employee refunds of incorrectly withheld City payroll taxes due to remote-work policies being implemented by many companies. This three-year window of potential employee refunds is being addressed by delaying the final LOC draw to the company by three years to allow all potential refunds to be filed. Therefore, the agreement term will be 2025-2037, even though there will only be five possible LOC draws during that time.

Additionally, there is a repayment clause not typically included in a Job Retention and Creation Incentive Agreement. A component of the overall incentive to induce the company to invest in Springdale is to reimburse the developer of the Springdale Commerce Park for \$850,000 of public infrastructure expenses originally paid for by the developer. These funds will be paid out of the Commerce Park TIF Fund, **not** the City's General Fund. The developer will then pass through those funds to the company either directly or in the form of reduced rent. To protect the City's interest, a repayment clause for up to \$850,000 has been added to the Job Retention and Creation Incentive Agreement. This amount is payable to the City if the company fails to establish operations in Springdale or should the City terminate the agreement due to the company relocating prior to the expiration of the term of the agreement.

An ordinance, with an emergency clause, authorizing the execution of an agreement with Enable Injections, Inc. related to a Job Retention and Creation Incentive Agreement will come before Council at the **02/07/2024** meeting.

Item V

An Ordinance Approving and Authorizing the Execution of a Tax Increment Financing Reimbursement Agreement, Approving Related Matters, and Declaring an Emergency

In 2018, the City established a Tax Increment Financing (TIF) district on the property known as Springdale Commerce Park. The TIF is intended to capture incremental increases in property tax revenue resulting from new construction and to be able to utilize those funds to facilitate economic development or pay for other eligible public infrastructure in the vicinity of the site.

The TIF is currently generating approximately \$1,065,000 annually for the buildings completed in 2021. Of this amount, after school district reimbursement payments, approximately \$500,000 is pledged to pay debt service for a portion of Strategic Parkway, the balance of which was paid for by the developer. The remaining revenue is not obligated and has accumulated a current balance of \$854,203.

The City has proposed to reimburse the developer of Springdale Commerce Park for \$850,000 towards the cost of the construction of Strategic Parkway not already being paid for by bond payments. The payment will be made by the City within 60 days of 1) receipt of a fully executed lease agreement between the developer and Enable Injections, Inc. and 2) issuance of Springdale building permits for the tenant for the space to be occupied by Enable Injections, Inc. These funds will be paid out of the Springdale Commerce Park TIF Fund, **not** the City's General Fund. The City has further built in protections by adding repayment language to the Job Retention and Creation Incentive Agreement with Enable Injections, Inc.

An ordinance, with emergency clause, approving and authorizing the execution of a tax increment financing reimbursement agreement, and approving related matters, will come before Council at the **02/07/2024** meeting.

Item VI

An Ordinance Authorizing the Purchase of Certain Real Property Associated with the Northland Boulevard Reconstruction Project and Declaring an Emergency

Both permanent and temporary right-of-way easements are necessary to complete the Northland Boulevard Reconstruction project scheduled this year. Council has previously authorized agreements for thirteen of the twenty-four locations. Negotiations continue for the remaining properties. This legislation will reflect settlement of the remainder of the agreements.

An ordinance, with an emergency clause, authorizing the purchase of certain real property associated with the Northland Boulevard Reconstruction project is expected to come before Council at the **02/21/2024** meeting.

Other Items of Interest

1. Introduction of New Employees in the Building Department – **02/07/2024** meeting.
2. Introduction of New Employees in the Parks & Recreation Department – **02/07/2024** meeting.
3. Housing Market Demand Analysis Presentation by Michael Dinn of Market Foresight – **02/21/2024** meeting.
4. Introduction of New Employee in the Health Department – **02/21/2024** meeting.
5. Introduction of New Employees in the Police Department – **03/06/2024** meeting.

Mayor
City Council
Assistant City Administrator
Clerk of Council
Law Director
City Engineer
Department Directors