

# INTERNAL MEMORANDUM

Office of the City Administrator

Springdale, Ohio

March 15, 2024

To: Mr. Jeffrey Anderson  
President  
Springdale City Council

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From: John J. Jones  
City Administrator



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Re: Report on Pending and Future Legislation

**Item 1**

**An Ordinance Declaring Improvements to Parcels of Real Property Located in Springdale, Ohio to be a Public Purpose Under Section 5709.40(B) of the Ohio Revised Code, Exempting Such Improvements from Real Property Taxation, Declaring Certain Public Improvements to be Necessary for the Further Development of Those Parcels, Establishing a Tax Increment Equivalent Fund, and Declaring an Emergency**

Wawa, a growing popular chain of fuel stations and convenience stores, is proposing to locate a new retail location on the northwest corner of Glensprings Drive and Springfield Pike. The \$10 million building will be owned by CA Development and leased to Wawa for 20 years. The two vacant buildings currently on the property will be removed to make room for the new location that will employ approximately 35 people with a total payroll of approximately \$873,000.

The City requires the developer to construct a new turn lane on Glensprings Drive and the installation of a new traffic signal system at the intersection with Springfield Pike, which will cost approximately \$590,000. This additional expense is jeopardizing the financial viability of the project for the developer; therefore the City has proposed to reimburse \$500,000 of eligible public infrastructure costs so the project can proceed.

The City is proposing to establish a Tax Increment Financing (TIF) district on the property. 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. City Council approved an agreement at the 03/06/24 City Council Meeting to utilize

those future TIF funds to make annual reimbursement payments to the developer until \$500,000 is reimbursed.

The proposed TIF will redirect 75% of the real estate taxes in the increased value for 10 years. Conservatively estimating a \$5.1 million value for tax purposes, the TIF will generate the following:

- \$93,799 in gross TIF revenue annually at full value, or \$867,000 over 10 years
- \$307,000 in total additional unencumbered TIF revenue to the City, which will be available to pay for a range of eligible public infrastructure improvements

The projections estimate the developer will be reimbursed within 6.5 years. For the remaining 3.5 years of the TIF, the City will retain any TIF revenue collected. At the end of the 10 years, the TIF will dissolve and taxes will be distributed normally.

It is important to note these funds will only be paid out of the TIF Fund, not the City's General Fund. The agreement contains a clause that does not require the City to reimburse the developer if for any reason the TIF district is not established.

An ordinance, with an emergency clause, declaring improvements to parcels of real property located in Springdale, Ohio to be a public purpose under section 5709.40(B) of the Ohio Revised Code is scheduled to come before Council at the **03/20/2024** meeting.

## **Item II**

### **Two Separate Ordinances Authorizing the Execution of Grant Agreements with the State of Ohio Department of Development for Participation in the Infrastructure Investment and Jobs Act State Energy Efficiency Program for Ohio Communities**

The Energy Efficiency Program for Ohio Communities provides a comprehensive initiative aimed at enhancing energy efficiency and sustainability within the facilities serving the residents of the City of Springdale. This program has earmarked a total of \$8 million to support energy efficiency projects statewide, aimed at assisting municipalities, businesses, nonprofits, and educational institutions.

Last summer, staff worked with Ameresco, Inc. to apply for the grant through the Ohio Department of Development. Following a rigorous selection process, the Community Center and Municipal Building projects were chosen to receive funding for a range of energy efficiency upgrades, including LED lighting installations, direct digital control systems, chiller replacement, and utility monitoring. While other City facilities were also considered, only these two buildings were selected as grant recipients for \$250,000 per building. The maximum grant amount for each eligible project was capped at \$250,000, with a limit of \$1 million per county. Projections estimate \$54,000 in annual combined utility savings from these upgrades.

Two separate ordinances authorizing the execution of grant agreements with the State of Ohio Department of Development for the Community Center and the Municipal Building will come before Council for a first reading at the **03/20/2024** meeting. A second reading is scheduled for the **04/03/2024** meeting.

### **Item III**

#### **An Ordinance Declaring Certain City Property as Surplus Property and Authorizing the Sale, Disposal, or Transfer of Surplus Property**

It an annual practice of the City for Council to pass legislation allowing the disposal of obsolete property the City has accumulated during the course of normal operations. Administration has again requested each department perform an inventory of such items no longer necessary for public use so these surplus items can be disposed of. As in prior years, the disposal method for the surplus items is intended to be through the use of an online public auction (GovDeals.com); donation to other governmental agencies or not-for-profit groups; or proper disposal through a waste collection program. Items having a market for their raw material will be salvaged as appropriate.

An ordinance authorizing the sale, disposal, or transfer of personal property from the City of Springdale will come before Council for a first reading at the **03/20/2024** meeting. A second reading is scheduled for the **04/03/2024** meeting.

#### **Other Item of Interest**

1. Introduction of New Employees in the Police Department – **03/20/2024** meeting.

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