Council Agenda Item

Date: May 12, 2023

To: Painesville City Council

From: Doug Lewis, City Manager

Topic: Memo establishing a TIF for Victoria Place to encourage redevelopment of the site.

History:

City Council previously approved a Memorandum of Understanding as to Proposed Development Agreement dated July 2, 2022 (as amended, the "Development Agreement"), between the City and Vic Place LLC (the "Developer") for the urban redevelopment of the real property at the former Victoria Place. The developers were approved by Planning Commission to construct a mixed-use residential and commercial project consisting of no less than seventy (70) and no more than eighty (80) residential apartment units, approximately sixty-eight thousand, seven hundred and fifty (68,750) square feet of commercial space, and approximately five thousand, seven hundred and ninety-eight 5,798 square feet of restaurant space (the "Project"). Pursuant to the Development Agreement, the City agreed to provide tax increment financing for the Project in order to enable the redevelopment of the Parcels and the development of the Project. Under the Ohio Revised Code, the "TIF Act" authorizes the Council to declare the improvement to the Parcels to be a public purpose and exempt from taxation, require the owner of the Parcels to make service payments in lieu of taxes, establish an urban redevelopment tax increment equivalent fund for the deposit of those service payments, and specify the purposes for which money in that fund will be expended. As a result, the Painesville City Council passed Resolution 12-23 on February 21, 2023 which authorized the City to obtain the property for urban redevelopment purposes. The property was then transferred back to the Developer.

This legislation will authorized the City to implement a tax increment financing program for the Victoria Place parcels pursuant to the TIF Act and to fulfill its obligations under the Development Agreement and to pay costs of the urban redevelopment of the Parcels and the development of the Project. The City of Painesville and the Painesville City Local School District had previously entered into a Modified School Compensation Agreement dated as of February 13, 2023, as amended, with respect to the Parcels and the Project, whereby the School District approved the exemption to be provided by this Ordinance and waived notice of this Ordinance in exchange for school compensation payments from the Project (the "School Compensation Agreement"). However, as a result of the fact that the Developer has determined that the TIF payments should be monetized in order to finance the overall project, the City and the Schools must enter into an Amended Modified School Compensation Agreement that is scheduled to be heard by the Painesville City Local School District at their meeting on June 12, 2023. Notices notice of this approved Modified School Agreement have been delivered to the Board of Education of the Auburn Career Center and they will be informed of the Amended version of the Modified School Agreement. The terms of both agreements are exactly the same with the exception that the Developer will now pay service payments.

Purchasing:

None

Financial

Positive. The creation of the Victoria Place TIF District will generate funding to finance the project and in years 15-30 will allow the City to fund public infrastructure improvements within and around the district. Again, the terms of the proposed Amended Modified School Agreement will be no different than what was approved by the Painesville City Local School District under the February 13, 2023 Modified School Agreement.

Recommendation

Approval of the Ordinance authorizing the City Manager to establish the Tax Increment Financing Incentive District for a public purpose. This item MUST go three (3) readings with the final reading on June 20, 2023. The Painesville City Schools must approve the Amended Modified School Agreement first, scheduled for June 12, 2023.

Council Agenda Item

Date: July 12, 2023

To: City Council

From: Doug Lewis, City Manager

Topic: Ordinance authorizing and directing the City Manager to enter into an Agreement with the Lake County Board of Commissioners to Participate in the Urban Entitlement Community Development Block Grant (CDBG) Program.

History:
The Lake County Board of Commissioners was informed by the Department of Housing and Urban Development (HUD) that if the County if to retain its "Urban County" status for the next three-year period, 2024-2026 it must "re-qualify" as an Urban County. In order to be eligible for the CDBG and HOME program funds, we must provide the attached Ordinance stating that the City of Painesville wants to participate. The last time we provided an Ordinance was in 2020.

The Ordinance authorizes and directs the City Manager to enter into a Cooperation Agreement for the Urban County Entitlement Program.

Finance:
This Ordinance will enable us to apply for CDBG funding through the Lake County Board of Commissioners. In prior years, we have received an average of approximately $75,000 a year in CDBG funding.

Purchasing:
No purchasing is required for this Ordinance.

Recommendation:
Staff is requesting that City Council approve the Ordinance so we are eligible to receive Community Development Block Grant funding. We are requesting this Resolution pass on first reading in order to meet the application deadline of July 26, 2023.

Council Agenda Item

Date: May 30, 2023

To: Doug Lewis

From: Bill Parkinson

Topic: 2024 Tax Budget

History:
This is an annual piece of legislation the Ohio Revised Code requires the City to have a public tax budget hearing and to pass the 2024 tax budget by July 20, 2023. This is the property tax portion of revenues the City will receive in 2023. This shows the County the City needs the property taxes.

Financing:
The City expects the 2024 property tax revenues to be same that they were in 2023. The City projects to receive approximately $2.5 million in property tax revenues in 2024.

Recommendation:
This legislation can go to three readings. A public tax budget hearing has been scheduled for Monday, July 17, 2023.

Council Agenda Item

Date: July 12, 2023

To: Doug Lewis, City Manager

From: Bill Parkinson, Finance Director

Topic: Establishment of New Funds

Background:

Ohio Revised Code §5705.12 states that a taxing authority of a subdivision may establish, with the approval of and in the manner prescribed by the auditor of state, such other funds as are desirable, and may provide by ordinance or resolution that money derived from specified sources other than the general property tax shall be paid directly into such funds.

The City of Painesville, with respect to §5705.12, would like to establish the following funds to account for the respective financial transactions inherit within each of the new funds described below:

- IDIAM Fund #243; to account for the receipts and expenditures related fines imposed for a violation of a municipal OVI ordinance.
- National OPIOID Settlements Fund #244; to be used to account for the settlements that have been reached with Teva, Allergan, CVS, Walgreens, and Walmart through the State of Ohio; to account for the disbursements of settlement receipts, and to account for the expenditures related to Opioid Remediation.
- TIF Fund #245; to account for the receipts and expenditures related to improvements to private property within specified areas as serving a public purpose, and to delineate the public infrastructure improvements that will be made and directly benefit the parcel(s) identified.
- ARPA Law Enforcement Fund #246; to account for $136,482.60 awarded by the Ohio Office of Criminal Justice Services to the City of Painesville Police Department to account for expenditures related to the state violent crime reduction program, the state and local first-responder agencies to counter increases in violent crime and to account for mitigation of impacts to staffing levels and first-responder wellness caused by the COVID-19 pandemic.

Purchasing: None

Financial: Establish these funds to account for the funding and expenditure of monies specific to the respective funds

Recommendation: This legislation can go three (3) readings.

Council Agenda Item

Date: July 12, 2023

To: Doug Lewis, City Manager

From: Susan Crotty, Economic Development Director

Topic: Vic Place LLC Development Agreement

History: The City Administration has been working with the principals of Renew Partners LLC to develop a plan for the rehabilitation of the property located at 100 South Park Place, known as Victoria Place. The members of Renew Partners, under their affiliate Vic Place LLC, acquired this property in 2019, and have secured funding from several sources to renovate the property as a mixed-use development including up to 80 market-rate rental residential units, over 68,000 square feet of commercial/office space, and approximately 5,800 square feet of restaurant space. This project is a transformational mixed-use development for the downtown which will serve as a catalyst for future investments. The proposed Resolution is to allow the City Manager to enter into a development agreement with Vic Place LLC for the purpose of completing the redevelopment project as agreed by both parties. The development is being required to meet the regulations and processes outlined in the City of Painesville Zoning Code.

Purchasing: None.

Financing: The Development Agreement outlines the City's obligations which include economic development tools that are needed to help bring the project to fruition, including Tax Increment Financing, assistance with utility infrastructure and streetscape improvements. The City will also need to enter into a future separate parking agreement to assist the project.

Recommendation: The City Administration respectfully requests that the legislation be passed as an emergency in order to allow the City Manager to enter into the development agreement and the developer to proceed with closing on anticipated financing.