

RECORD OF PROCEEDINGS

**MINUTES OF THE
XENIA TOWNSHIP TRUSTEES:**

**WORK SESSION
JUNE 19, 2014**

5:00 P.M.

NOTE: These minutes are a summary of the discussion and are not a word for word account of the discussions. The proceedings were electronically recorded. The meeting place was the Xenia Township Office, 8 Brush Row Road, Xenia, Ohio.

PRESENT: Scott Miller, Chairman; Susan Spradlin, Trustee; Barbara Miller, Fiscal Officer; Alan Stock, Administrator.

GUESTS: Barry Tiffany, Stephanie Hayden, Bath Township Trustees??, Elaine Brown.

Chair Scott Miller called the work session to order at 5:05 pm. This was a work session advertised on the Xenia Township website within 24 hours of scheduling the meeting.

TRUSTEES BUSINESS:

Chairman Miller introduced guest speaker Barry Tiffany, Sugarcreek Township Administrator, to speak about TIFs. Barry Tiffany explained a TIF as a Tax Incremental Financing District. A TIF is where you take the new property taxes coming in on a property after development and set it aside to pay for a project to benefit that property. They can be a very good tool or very bad tool depending on how they are used, who is using them and for what purpose. He likes to describe them as trust funds. One of the challenges for elected officials is the budget and to forecast the budget and to set aside money for the future. By statute you can only set aside money each year. The promise of setting aside money each year is as good as the paper it is written on in a resolution and the next board of Trustees that comes into office because they can typically undo a previous resolution unless there is some other legal document or tool in place. A TIF is a trust fund if a Board of Trustees says they want to divert new property taxes for the next so many years until time is up or project is paid off. A TIF can also be a negotiation tool. A TIF is typically defined by a period of years depending on the type of TIF you create. In a school involved TIF the school generally gets 100% of revenue unless a lesser amount is specified in the agreement and it is typically for up to 30 years. A non-consent TIF is where a school district or property owner does not have to agree to anything, but only 75% of everyone's funds are funneled off of new revenue and it only lasts 10 years. These have been around for a very long time and are very good to expedite things. The problem is if things don't develop quickly, the time set could run out before the money comes in, resulting in the project having to be paid out of general fund. A few years back the legislature created a new section of statute to say instead of the clock starting when the TIF is created, the clock does not start until development begins. It sits idle until the development starts and new valuation comes on the books, then it springs into action and the clock starts. This is known as a Springing TIF. This is a tool that can be used to help negotiate to keep a piece of property in the township. Generally speaking, business property owners do not want a TIF unless they have some say in it. The fact that it is non-consent TIF takes the owner out of the equation. If you put a non-consent, ten-year springing TIF on a property that will sit until property owner develops their property, they will come to the table to see what can be worked out. Sugarcreek Township has a TIF on the part of the Dilly property that did get annexed into the city of Centerville and it made Centerville fight them for eight years. It made Centerville negotiate with Sugarcreek Township where they would not have if not for the TIF. Sugarcreek Township did create a project--Clyo Road, they constructed the project and they expended the funds. Once development starts Sugarcreek Township will get their money back, thus satisfying the TIF. After that Centerville can put on their own TIF. With the way Centerville did their Type 2 Annexation Sugarcreek Township has to provide fire service to that area for the next thirty years. Centerville wants them to provide it for free. Since Sugarcreek Township has a TIF they can require payment. A TIF under law is known as an exemption. You are exempting the property from taxes on the new valuation. You have to do a TIF prior to an annexation being enacted. The incentives for cities to annex are 1) property taxes and 2) income taxes. Sugarcreek

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Township looked at a map and identified parcels of land that would be vulnerable to annexation. They changed zoning on those parcels.

There was discussion about the Cemex annexation into Fairborn City. Cemex went through the rezoning process with Xenia Township several years ago. The Zoning Commission approved it but the Trustees denied the rezone. They need clay product and rock product to make the cement. They are running low on rock product which is what they want to mine. If they annex they are going to mine that property. Mr. Tiffany said it would be a long legal battle to fight the annexation. If the Township tries a TIF it may not gain much. Three properties owned by Cemex which are in Xenia Township are in CAUV. Mr. Tiffany asked where Fairborn is going from here. It takes a unanimous vote of Trustees to create a TIF.

Mr. Tiffany stated Batavia Township has four or five TIFs in place and they are working very well to keep the Village of Batavia out.

Mr. Tiffany just found out that HB 81 has gone through the House of Representatives and passed and is now in the Senate. This bill eliminates the township's ability to do non-consent TIFs. Hopefully, it will not pass.

Mr. Tiffany provided a draft resolution that can be used to enact a TIF, a letter to the school district which has to be provided and has to have signatures, and an exhibit of TIF area. It is a simple legislative process. The Administrator has a bit more work to do after enacted. The Administrator puts together maps and descriptions; then takes it to David Graham's office for it to be stamped, recorded, and filed. Mr. Tiffany said he would help Bath Township Trustees get TIF process in place. He said Sugar Creek Township Trustees are committed to stopping annexation statewide. If not, townships will cease to exist. He said townships have to be prepared to give something to the entity they have the TIF with. Zoning is the key.

There was a question of how many people would be upset if Cemex was allowed to mine the two parcels vs how many affected if they were not allowed to do the mining. Mrs. Spradlin said she knew of a group of about 200 people who would fight against the mining.

Stephanie Hayden said cities are tending to do more annexation to increase their revenue as their budgets are strained. Mr. Tiffany said the State's burden is being pushed back to local government. Governor Kasich has said we are going to be a state income tax-free state, a business friendly-tax state and still do what we have been doing. How that is accomplished is by the State keeping funding that used to be given to the cities and townships. Townships have lost 30-35% of their local government funds since 2008. Cities have lost about 50% of their local government funds. There was discussion with Bath Township Trustees about the direction Fairborn City would go to annex. Separate TIFs would be more beneficial because of development. You are required to have a separate project with each TIF. The township can either borrow or pay for the project, then as the County receives those taxes, David Graham pigeonholes them. When time to send your taxes he sends two checks—one for TIF revenue fund and one for everything else. If the township pays for the project from road funds, the taxes get deposited into the TIF fund then get routed to the road fund to pay it back. Once the project is paid for the TIF goes away. This is used as a defensive tool.

EXECUTIVE SESSION:

Scott Miller made a motion to enter Executive Session for Section 121.22 G8 to consider confidential information related to economic or negotiations with other political subdivisions for economic development and do unanimously determine that executive session is necessary to protect the interest or possible investment or expenditure of public funds to be spent in connection with the economic development. Mrs. Spradlin seconded the motion. Roll Call: Mr. Miller-aye; Mrs. Lewis-absent; Mrs. Spradlin-aye. Executive Session began at 6:27 p.m.

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Mrs. Spradlin made a motion to exit the Executive Session and return to work session, seconded by Mr. Miller. Roll Call: Mr. Miller-aye; Mrs. Lewis-absent; Mrs. Spradlin-aye. Executive Session ended at 7:11 p.m.

ADJOURNMENT:

A motion was made by Mr. Miller to adjourn the Work Session, seconded by Mrs. Spradlin. Roll Call vote: All voted Aye. Work Session adjourned at 7:12 p.m.

Xenia Township Board of Trustees

Date Approved: _____

Scott Miller, Chair

Resolution # _____

Absent
Amy Lewis

Attest:

Susan Spradlin

Barbara Miller, Fiscal Officer