

Bob Mollette

3rd Ward Councilman

1705 Franklin Blvd.
Portsmouth, Ohio 45662

Phone: 740-353-0099
email: mollette@mollette.info
website: www.mollette.info

Correspondence#: 08-004

February 14, 2008

Honorable Council Members

Jim Kalb, Mayor
Trent Williams, Auditor
Michael Jones, Solicitor
728 Second Street
Portsmouth, Ohio 45662

Re: Community Reinvestment Program and Urban Jobs & Enterprise Zones

I am requesting a discussion and fact finding to consider amending the one hundred percent (100%) tax abatement process automatically given through the Community Reinvestment Program or the Urban Jobs & Enterprise Zones per the Ohio Department of Development. I have enclosed a copy of the Tax Abatement Guidelines with an Annual Report for your review. The following is a brief history of the associated ordinances that have established these programs.

The **Community Reinvestment Program** was established in the City of Portsmouth with Ordinance 1977-204 passed November 22, 1977 and is referenced in the Ohio Revised Code 3735.66. The program is identified in the following ordinances:

- **Ordinance 1977-204** passed November 22, 1977 established a Community Reinvestment Area, as set forth under a Community Reinvestment Tax Exemption and establishing a Community Reinvestment Housing Council. Section III established a Council composed of two (2) members appointed by the Mayor, two (2) members appointed by the legislative authority, and one (1) member appointed by the Planning Commission. These members shall then appoint two (2) additional members who are residents within the area. This Housing Council shall make annual inspections of the properties for which an exemption has been granted to insure its continued maintenance. This Housing Council will serve as the first level of appeals for residents who have grievances.
- **Ordinance 1978-46** passed April 11, 1978 changed the boundaries of District A and repealing Section I of Ordinance 1977-204.
- **Ordinance 1982-56** passed July 13, 1982 amended Section I by deleting District D and repealing Ordinance 165 of 1978.
- **Ordinance 2004-05** passed January 26, 2004 amended Section I of Ordinance 1982-56 by adjusting the boundary of District B and repealing Ordinance 56 of 1982.

The **Ohio Enterprise Zone Act** under the Ohio Revised Code Section 5709.61 through 5709.66 has authorized municipalities to designate areas as Enterprise Zones and to execute agreements with certain enterprises for the purpose of establishing, expanding, renovating or occupying facilities and hiring new employees and preserving jobs within said zones in exchange for specified local tax incentives granted by the City of Portsmouth.

- **Ordinance 1992-23** passed March 23, 1992 designating the area of the City of Portsmouth as an urban Jobs and Enterprise Zone No. A and authorizing a petition to the Director of Development of the State of Ohio for certification of the zone and repealing Ordinance 1985-59 passed August 27, 1985 which had established Enterprise Zone No. 1.
- **Ordinance 1993-105** authorized and established the creation of a Tax Incentive Review Council (TIRC) as required by the Ohio Department of Development under the provisions of Urban Jobs and Enterprise Zones (5709.62 ORC). The members per ORC 5709.62 (D) Mayor, City Council President, County Auditor, City Auditor, City School Board of Education member, two (2) members of the public chosen by the Mayor with concurrence of City Council, at least four (4) members of the Council shall be residents of the City.

The Community Reinvestment Program and Housing Council as described per codified ordinance should exist unless the ordinance was amended by City Council. This issue needs to be clarified.

The Tax Abatement Guidelines revised February 5, 2002 appears to be a combination of the both tax abatement programs by referencing Community Reinvestment Program (Ordinance 204 passed 11/22/77 & ORC 3735.66) on the cover sheet and the Tax Incentive Review Council as described for the Enterprise Zones (Ordinance 1993-105 & ORC 5709.62). This issue needs to be clarified.

The Tax Abatement Guidelines revised February 5, 2002 indicate the Exemption percentage for all abatements is one hundred (100%) percent. I propose a public discussion with appropriate parties as deemed by the Community Reinvestment Program and the Urban Jobs & Enterprise Zones. I am suggesting the maximum amount of any abatement to be fifty (50%) percent or unless approved by the City School District. This issue should be properly evaluated with appropriate actions.

If you should have any questions or comments contact me.

Respectfully,

A handwritten signature in black ink, appearing to read "Bob Mollette", with a long horizontal stroke extending to the right.

Bob Mollette, 3rd Ward Advocate and Representative on City Council

rwm

cc: David Green, Scioto County Auditor
Jan Broughton, Portsmouth City School District Superintendent
Jo Ann Aeh, Clerk (Record)