

January 11, 2024

**ECONOMIC DEVELOPMENT COMMITTEE**

January 16, 2024

Council Chambers

Following Service Committee

*Committee and Council Meetings can be viewed by accessing YouTube*

**AGENDA**

1. Consider **Resolution No. 24-07** AN RESOLUTION IMPLEMENTING SECTIONS 3735.65 THROUGH 3735.70 OF THE OHIO REVISED CODE, ESTABLISHING AND DESCRIBING THE BOUNDARIES OF A COMMUNITY REINVESTMENT AREA IN THE CITY OF NEWARK, OHIO.
2. Other items at the discretion of the chair.

RESOLUTION NO. 24-07

**AN RESOLUTION IMPLEMENTING SECTIONS 3735.65 THROUGH 3735.70 OF THE OHIO REVISED CODE, ESTABLISHING AND DESCRIBING THE BOUNDARIES OF A COMMUNITY REINVESTMENT AREA IN THE CITY OF NEWARK, OHIO.**

**WHEREAS**, the City of Newark, Ohio (“City”) desires to pursue all reasonable and legitimate incentive measures to assist and encourage development in specific areas of the City that have not enjoyed reinvestment from remodeling or new construction; and

**WHEREAS**, a survey of housing (“Housing Survey”) of the area described and depicted in Exhibit A attached hereto and incorporated herein by this reference (“Area”) has been prepared as required by Ohio Revised Code (“R.C.”) Section 3735.66, a copy of which survey is on file with the City; and

**WHEREAS**, as noted in the Housing Survey, the Area is one in which housing facilities or structures of historical significance are located and new housing construction and repair of existing facilities or structures are discouraged; and

**WHEREAS**, the Council for the City (“Council”) has determined that the construction of new structures and the remodeling of existing structures in the Area is a public purpose, and would encourage the creation and retention of employment opportunities and would benefit the overall economic health of the City; and

**WHEREAS**, the City desires to designate the Area as the “The Flats Community Reinvestment Area No. [ 6 ]” (the “CRA”) pursuant to R.C. Sections 3735.65 through 3735.70 (the “Act”) to encourage such development.

**NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF NEWARK, COUNTY OF LICKING AND STATE OF OHIO, THAT:**

**Section 1.** The CRA constitutes an area in which housing facilities or structures of historical significance are located, and in which new construction or repair of existing facilities has been discouraged.

**Section 2.** This Council hereby establishes the CRA pursuant to the Act, with boundaries as described and depicted in Exhibit A. Only residential, commercial, and/or industrial properties consistent with the applicable zoning regulations within the designated CRA will be eligible for exemptions pursuant to this Resolution.

**Section 3.** Within the CRA, the percentage of the tax exemption on the increase in the assessed valuation resulting from improvements to commercial and industrial real property and the term of those exemptions shall be negotiated on a case-by-case basis in advance of construction or remodeling occurring pursuant to R.C. Section 3735.67. The results of the negotiation as approved by this Council will be set in writing in a CRA Agreement as outlined in R.C. Section 3735.671. For residential property, a tax exemption on the increase in the assessed value resulting from the improvements as described in R.C. Section 3735.67 shall be granted

upon application by the property owner and certification thereof by the designated Housing Officer (as defined herein) for the following periods:

- a. fifteen (15) years, for the remodeling of every residential dwelling unit upon which the cost of remodeling is at least \$2,500, as described in R.C. Section 3735.67, and with such exemption being one hundred percent (100%) for each of the fifteen (15) years.
- b. Up to, and including, fifteen (15) years, and up to, and including, one hundred percent (100%) for the remodeling of existing commercial and industrial facilities and upon which the cost of remodeling is at least \$5,000, as described in R.C. Section 3735.67, the term and percentage of which shall be negotiated on a case-by-case basis in advance of remodeling occurring.
- c. Up to, and including, fifteen (15) years, and up to, and including, one hundred percent (100%) for the construction of new commercial or industrial facilities, the term and percentage of which shall be negotiated on a case-by-case basis in advance of construction occurring.

For the purposes of the above described CRA, structures exclusively used for residential purposes shall be classified as residential structures.

If remodeling qualifies for an exemption, during the period of the exemption, the exempted percentage of the dollar amount of the increase in market value of the structure shall be exempt from real property taxation. If new construction qualifies for an exemption, during the period of the exemption, the exempted percentage of the structure shall not be considered to be an improvement on the land on which it is located for the purpose of real property taxation.

**Section 4.** All commercial and industrial projects are required to comply with the state application fee requirements of R.C. Section 3735.672(C) and the local annual monitoring fee of one percent of the amount of taxes exempted under the agreement – a minimum of \$500 up to a maximum of \$2500 annually unless waived.

**Section 5.** To administer and implement the provisions of this Resolution, the Director of Economic and Community Development (the “Director”) is designated as the Housing Officer as described in the Act.

**Section 6.** The City’s Community Reinvestment Area Housing Council (“Housing Council”) shall make an annual inspection of the properties within the CRA for which an exemption has been granted under R.C. Section 3735.67. The Housing Council shall also hear appeals related to the CRA under R.C. Section 3735.70.

The City’s Tax Incentive Review Council (“TIRC”) shall review annually the compliance of all agreements involving the granting of exemptions for commercial or industrial real property improvements under R.C. Section 3735.671 and make written recommendations to the Council as to continuing, modifying, or terminating said agreement based upon the performance of the agreement.

**Section 7.** The Mayor and/or Director are hereby authorized to take any and all actions required by the Act for the establishment of the CRA consistent with the requirements of the Act and this Ordinance.

**Section 8.** The Council hereby finds and determines that all formal actions relative to the passage of this Resolution were taken in an open meeting of this Council, that all deliberations of this Council and of its committees, if any, which resulted in formal action were taken in meetings open to the public, in full compliance with the applicable legal requirements, including R.C. Section 121.22.

**Section 9.** This Resolution shall become effective at the earliest time permitted by Article 4.07 of the Charter of the City of Newark, Ohio.

Passed this \_\_\_\_\_ day of \_\_\_\_\_, 2024.

\_\_\_\_\_  
PRESIDENT OF COUNCIL

ATTEST: \_\_\_\_\_  
CLERK OF COUNCIL

DATE FILED WITH MAYOR: \_\_\_\_\_

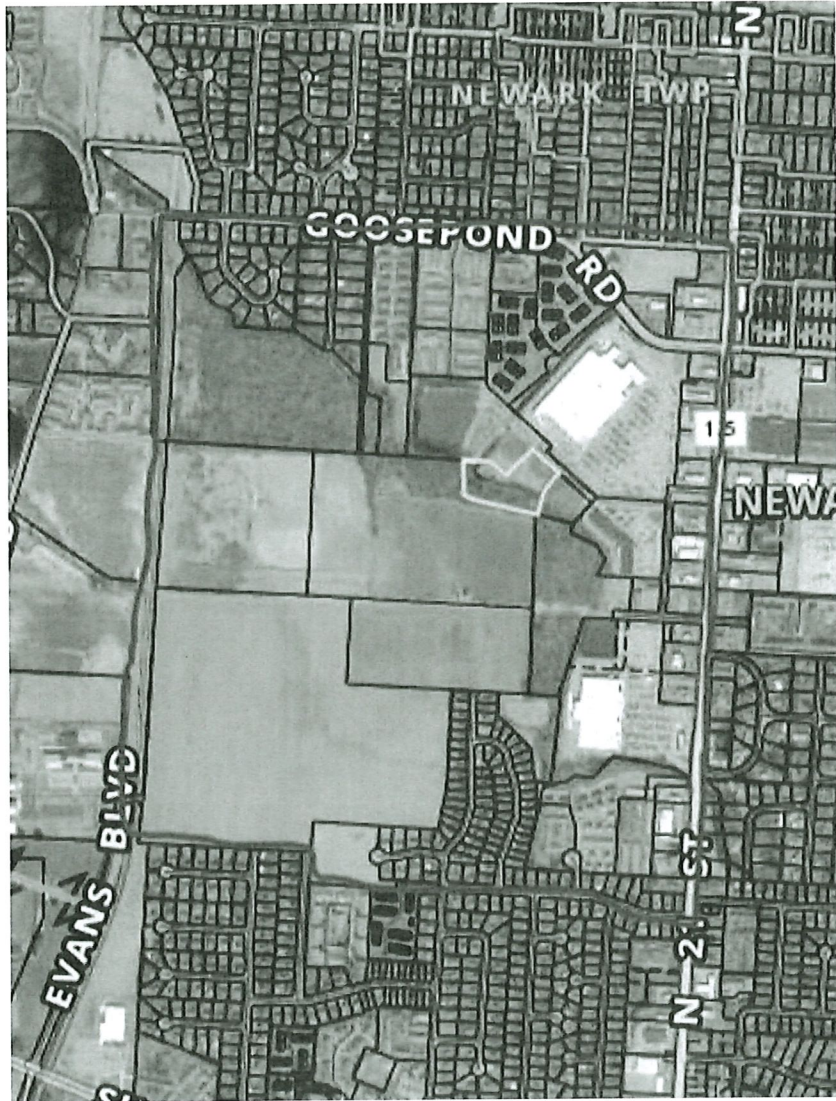
DATE APPROVED BY MAYOR: \_\_\_\_\_

\_\_\_\_\_  
MAYOR

FORM APPROVED: \_\_\_\_\_  
DIRECTOR OF LAW

**EXHIBIT A**

**DESCRIPTION AND DEPICTION OF THE CRA**



City of Newark, Ohio



City of Newark Community Reinvestment Area  
Housing Survey

Prepared by:  
Taft Stettinius & Hollister LLP  
Chris L. Connelly  
Legal Counsel  
October 2023

## **I. PURPOSE AND SCOPE**

This document aims to evaluate existing area conditions and recommend a Community Reinvestment Area (CRA) as described in Ohio Revised Code Sections 3735.65–70 within the city limits of Newark, Ohio (Appendix A). The circumstances in the defined area will show that “housing facilities or structures of historical significance are located [in the area], and new housing construction and repair of existing facilities or structures are discouraged.” O.R.C. § 3735.65(B). Unless otherwise noted, all statistical information contained here comes from the most recent U.S. Census or American Community Survey data.

## **II. CITY OF NEWARK AND LICKING COUNTY OVERVIEW**

The City of Newark was founded in 1802 and, early on in its existence, enjoyed vibrant economic and population growth thanks to the construction of the Erie Canal and a strong agricultural community. It was home to important freight and passenger stops and produced crucial agricultural goods for the surrounding communities and the Midwest at large. But like many rural towns, growth stagnated in the mid-20<sup>th</sup> century with the exodus to urban and suburban areas. Despite modest population growth in the last 100 years helped along by the academic institutions present in the City, portions of Newark’s tax base have weakened and caused disinvestment and declining housing supply and quality.

Recently, Newark has experienced revitalization in some areas thanks to investment from local government, academic institutions, and private industry, as well as excitement surrounding impending projects in Licking County. But the housing stock in Newark has not fared so well. Residential properties suffer from disinvestment, dilapidation, tax delinquency, vacancy, and abandonment. These conditions have led to the disinvestment sought to be addressed in the proposed CRA.

Economic hardship and poor housing stock have affected the City more significantly than Licking County as a whole, as reflected by the City having a higher poverty rate, lower median income, lower owner-occupancy rates, and lower home value than the County averages and surrounding municipalities. This information is specifically referenced below and highlights the City’s deficiencies sought to be alleviated by the creation of the CRA.

### **General City and County Data**

This data on the City and County is available from American Fact Finder on Census.gov (also see the census map in Appendix C showing population growth statistics) in the 2020 American Community Survey 5-Year Estimates:

- Population estimates:
  - City – 49,936
  - County – 180,401
- Median age:
  - City – 37.0
  - County – 39.7
- Median household income:
  - City – \$52,570
  - County – \$73,325
- Individuals below the poverty level:
  - City – 16.2%
  - County – 12.2%
- Median home value:
  - City – \$139,900
  - County – \$214,700
- Total housing units:
  - City – 19,800
  - County – 73,010
- Owner-occupied housing rate:
  - City – 55.3%
  - County – 76%

### **Other Cities within Licking County**

In key metrics, other cities in Licking County have fared better than Newark:

- Median household income:
  - Granville – \$135,326
  - Pataskala – \$79,736
  - Johnstown – \$64,744
- Individuals below the poverty level:
  - Granville – 2.2%
  - Pataskala – 6.7%
  - Johnstown – 9.3%
- Median home value:
  - Granville – \$380,700
  - Pataskala – \$208,300
  - Johnstown – \$175,000



The City's negative income and housing statistics compared to the County at large show that the current City housing cannot support the same healthy development that is expected county-wide. In particular, portions of the CRA area contain vacant acreage for redevelopment, as few housing units have been constructed, and the housing that does exist is aging and in need of remediation.

The low owner-occupancy rate in the City coupled with the high poverty rate harm residents' ability to use disposable income to maintain, repair, and improve their property. The proposed CRA would help residents realize savings that can be used to reinvest into their property.

The City desires to facilitate more commercial and industrial development within its boundaries, focusing on those underdeveloped portions within the CRA. This commercial and industrial development will provide much-needed jobs for City and County residents and will lead to future residential development as the area's workforce increases in size.

Newark has underperformed its potential, in most areas, relative to neighboring municipalities. The proposed CRA will be beneficial in bringing the City up to par with the surrounding area and enable it to facilitate future growth consistent with county-wide expectations.

### **III. PROPOSED COMMUNITY REINVESTMENT AREA**

To respond to these development needs, the City is proposing to create a CRA that consists of several parcels within the City which are either vacant or blighted and require tax relief to be redeveloped. The proposed CRA is depicted on the attached map in **Appendix A**.

The proposed CRA includes several parcels of developable and residential land, the natural boundaries of which are Evans Blvd. to the West, Goosepond Road to the North, N. 21<sup>st</sup> Street to the East, and Jackson Blvd. to the south, along with the southern boundaries of parcels numbered 054-286698-00.000, 054-286470-00.176.

The proposed CRA is within the City limits and does not overlap with a preexisting CRA. It is approximately a [ ] square foot area, including agricultural land, commercial land, and housing units. In addition, the region surrounding the proposed CRA boundaries comprises several amenities like a historic downtown area with restaurants and small businesses, The Works Museum, the Midland Theater, Dawes Arboretum, Nature Preserves, and even the World's Largest Basket. Despite the area's serene location in an east-Columbus suburb, the area immediately surrounding the proposed CRA suffers from poor housing stock, lower economic status, and is generally of lesser quality than surrounding City areas.

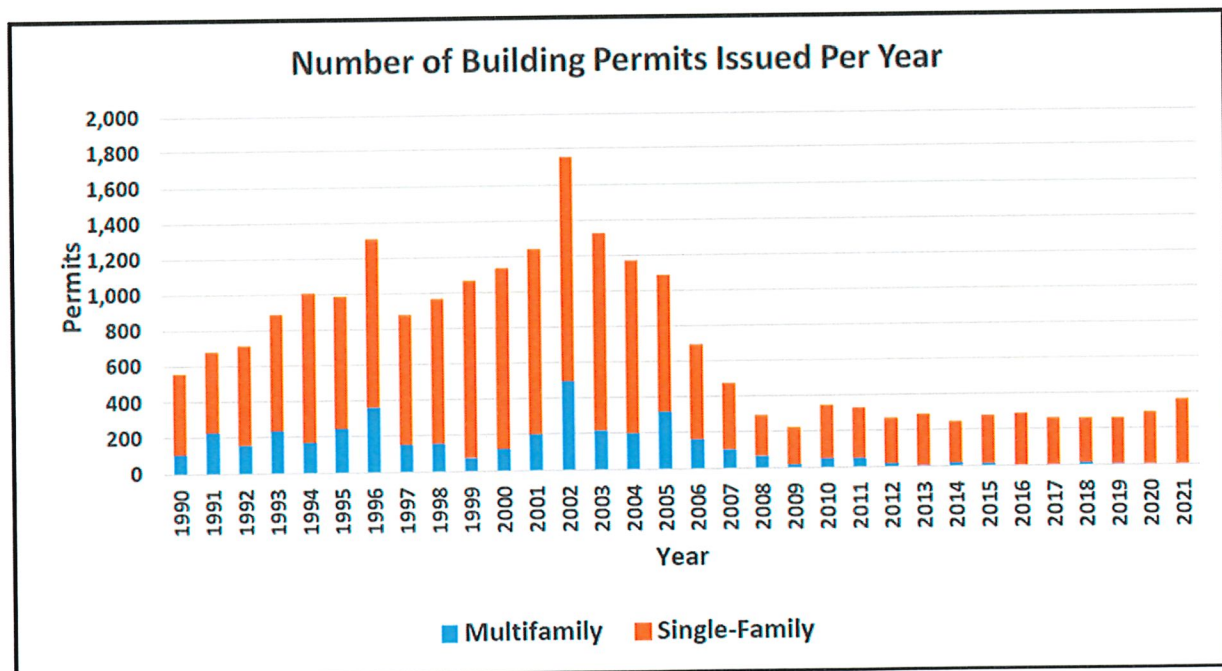
### Blighted Structures

There are blighted structures and neighborhoods in a pre-blight phase scattered throughout the City. **Appendices B.1** and **B.2** show examples of blighted homes in and around the proposed CRA boundaries. These properties stand to benefit from the economic enhancement that will come with the proposed CRA.

### Lack of New Construction in the Area

Over the last three years for which there is data, Licking County has seen flat change in the housing stock. This stagnation is evidenced by the comparison of demolition permits to new build permits. The County netted between 251-361 new single-family homes permits per year between 2018 and 2021 (2018:251; 2019:257; 2020:289; 2021:361)<sup>1</sup>. A rate far below the anticipated need of the area, which has directly and negatively affected Newark’s ability to provide adequate housing options to its residents. On par with the County-wide trend, Newark’s total housing supply has increased only 0.9% since 2010.<sup>2</sup>

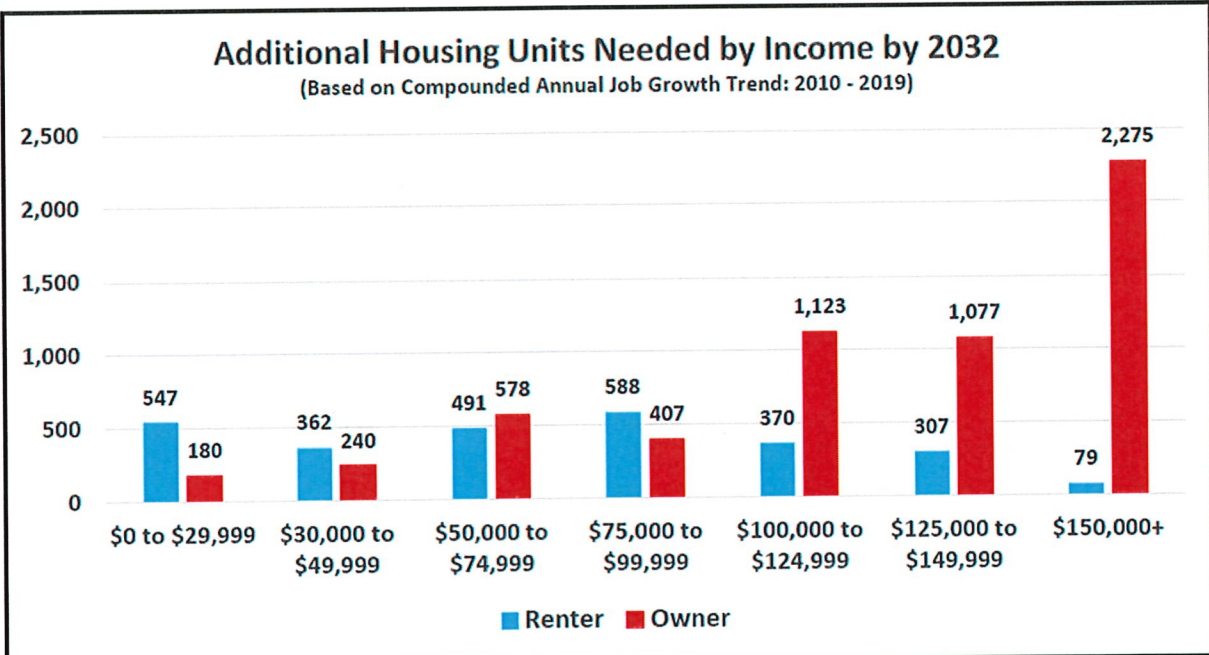
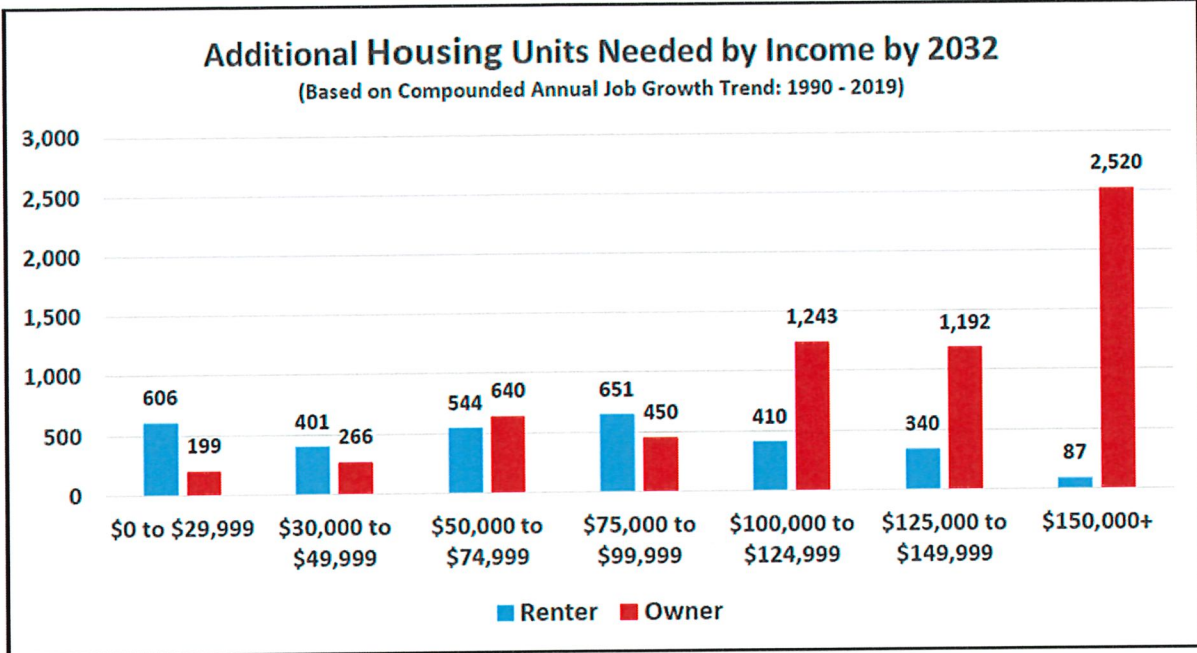
Please reference the charts below from the 2022 BIA of Central Ohio Housing Need Assessment:



Source: State of the Cities Data Systems (SOCDS)

<sup>1</sup> Information found on U.S. Department of Housing and Urban Development website State of the Cities Data Systems Index – <https://socds.huduser.gov/permits/index.html>

<sup>2</sup> Information found on Town Charts website at <https://www.towncharts.com/Ohio/Housing/Newark-city-OH-Housing-data.html> (Figure 3).



Source: Vogt Strategic Insights

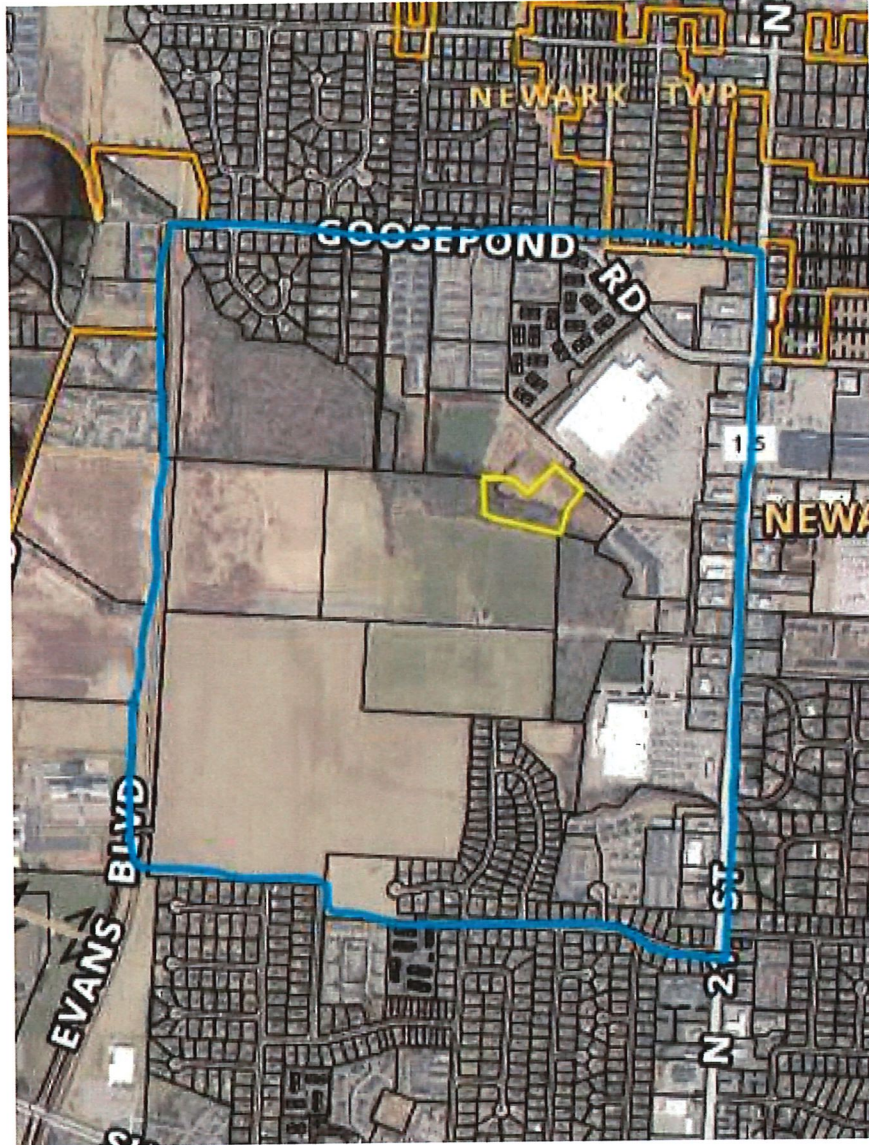
#### **IV. CONCLUSIONS**

The evidence for disinvestment and blight in the proposed area is summarized by the following:

- lower housing stock than surrounding areas in the City and County;
- higher number of dilapidated residential structures than the surrounding areas in the City and County; and
- undeveloped, underutilized parcels.

The proposed CRA has suffered from disinvestment and meets the criteria under O.R.C. §§ 3735.65–70. Creating the CRA will mitigate the blight that has set in and prevent blight from spreading to surrounding areas by encouraging reinvestment into properties in the area.

APPENDIX A – CRA Map



**APPENDIX B.1 – Examples of Dilapidated Structures  
within the Proposed CRA Boundaries**

**Example Property # 1**

525 Goosepond Road, Newark, Ohio 43055; Parcel Number: 054-286422-00.004



**Example Property # 2**

515 Goosepond Road, Newark, Ohio 43055; Parcel Number: 054-286422-00.003



**Example Property # 3**

1433 Moloviste Avenue, Newark, Ohio 43055; Parcel Number: 054-292932-00.000





**Example Property # 4**

1442 Moloviste Avenue, Newark, Ohio 43055; Parcel Number: 054-287658-00.000



**Example Property # 5**

1452 Moloviste Avenue, Newark, Ohio 43055; Parcel Number: 054-294984-00.000



**Example Property # 6**

1435 Independence Court, Newark, Ohio 43055; Parcel Number: 054-286422-00.012



**APPENDIX B.2 – Examples of Dilapidated Structures “Other Area Housing”**  
(all properties within City limits)

**Example Property #1**

1529 Kenarbre Drive, Newark, Ohio 43055; Parcel Number: 054-273420-00.000

About 100 yards from CRA boundary.



**Example Property # 2**

1557 Lemae Ave, Newark, Ohio 43055; Parcel Number: 054-293574-00.000

About 150 yards from CRA boundary.



**Example Property # 3**

1507 Lemae Avenue, Newark, Ohio 43055; Parcel Number: 054-290214-00.000

About 125 yards from CRA boundary.



**Example Property # 4**

342 Goosepond Road, Newark, Ohio 43055; Parcel Number: 054-273426-00.000

About 25 yards from CRA boundary.



**Example Property # 5**

1566 N 21<sup>st</sup> Street, Newark, Ohio 43055; Parcel Number: 058-293376-00.000

About 150 yards from CRA boundary.





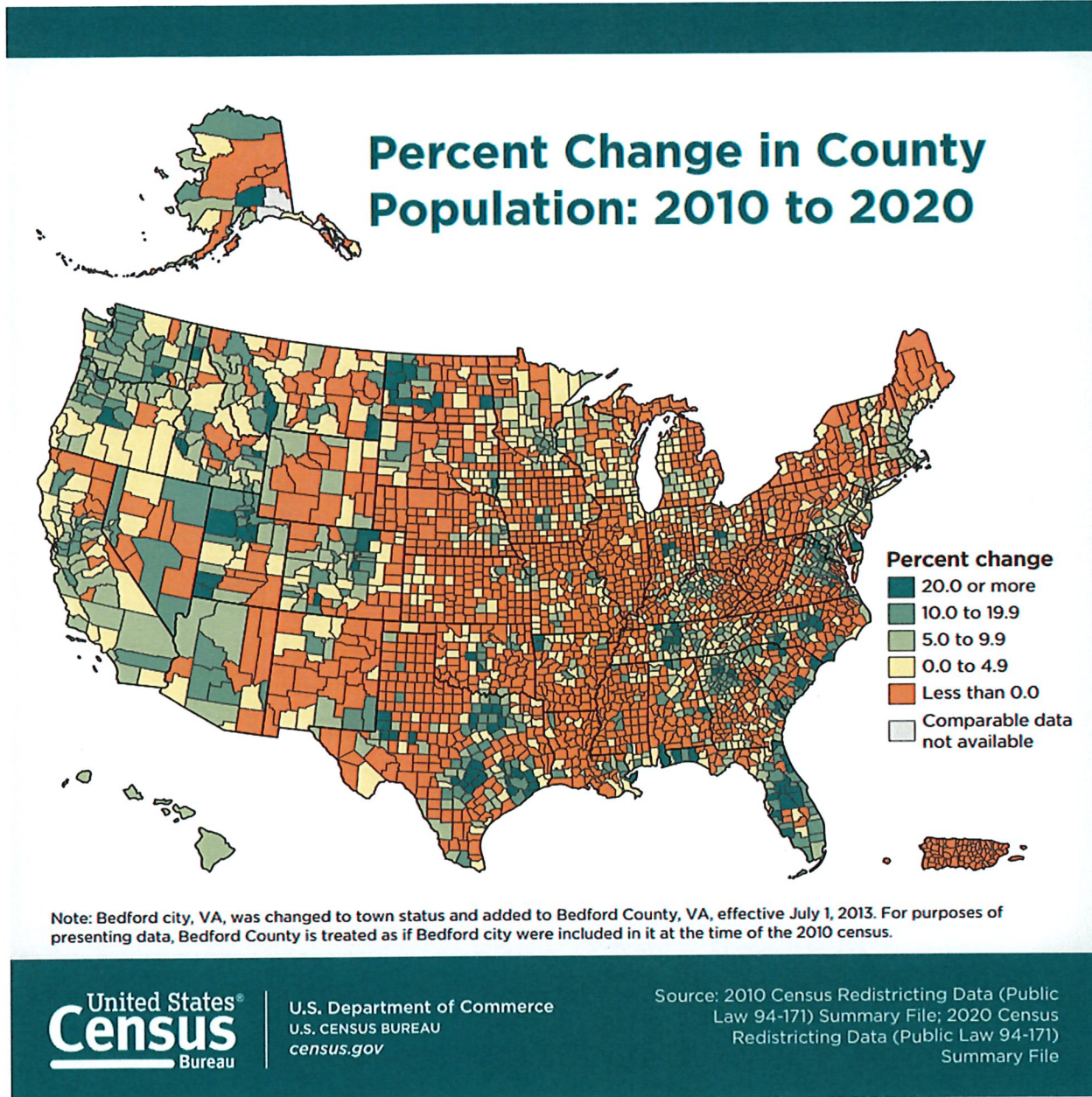
**Example Property # 6**

221 Greenfield Avenue, Newark, Ohio 43055; Parcel Number: 054-289662-00.000

About 200 yards from CRA boundary.



## APPENDIX C – Population Growth Comparison Among Counties



# Plat of Survey

City of Newark, County of Licking, State of Ohio, part Lot 2 & Lot 8 of the Second Quarter, Section 2, Township 2N, Range 12W, of the United States Military Lands.

## PROPERTY LOCATION:

Situated in the City of Newark, County of Licking, State of Ohio, and being part of Lot 2 & Lot 8 in the Second Quarter, Section 2, Township 2N, Range 12W, of the United States Military Lands.

Being a Survey of a 5.138 Acre parcel conveyed to Eric W. Skipper, as recorded in Instrument No. 2021-11100034525 the Licking County Deed Records, and being all of Auditor's P.P.N. 054-269904-00.000.

Subject to the Flood Zone 'AE' Plain, as per Community Panel No. 39089C03331, dated March 16, 2015, of the FEMA Maps of this area.

Shanghi Enterprises, LLC  
9.727 Acres  
Instrument No. 2020-12170034718

LOT 2  
LOT 8  
S 88°56'20" E 165.00'  
S 50°05'24" E 150.00'  
N 00°27'19" E 226.37'

Tract 'B'  
3.648 Acres  
N 39°54'36" E 250.26'  
S 50°05'24" E 243.23'

Eric W. Skipper  
5.138 Acres  
Instrument No. 2021-11100034525

Tract 'A'  
1.490 Acres  
N 12°08'40" E 60.00'  
N 39°54'36" E 149.71'

P.W. REILLY of Ford, LLC  
5.649 Acres  
Instrument No. 2015-09260005641  
S 39°54'39" W 233.05'  
N 88°31'08" W 452.03'

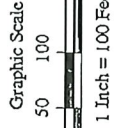
Newark Area Soccer Association, Inc.  
10.039 Acres  
Instrument No. 2020-12220035204  
N 77°51'20" W 231.48'  
S 39°54'39" W 183.05'

T.J. Evans Foundation  
93.423 Acres  
Deed Book 782, Page 872  
N 79°30'24" W 398.77'  
N 70°32'08" W 93.02'

P.O.C.: IRON PIN FOUND AT NW CORNER  
LOG POND DRIVE (45' Wide)  
DEDICATION (P.B. 17, Page 291)

## LEGEND

- - 3/4" o.d. Iron Pipe Found
- ⊙ - 5/8" x 30" long reinforcing bars w/ red cap stamped "S.A. England #S-7452"
- - 5/8" o.d. Iron Pin Found
- △ - Mag Nail Set



## BASIS OF BEARING

The bearings of this plat are based on the South line of Lot 2, as being N 88°56'20" W, and is an assumed Meridian used to denote angles only.

## PREPARED BY:

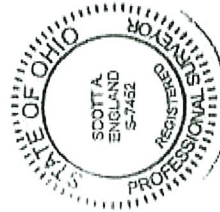
S.A. ENGLAND SURVEYING  
Professional Land Surveying  
P.O. Box 1770  
Buckeye Lake, Ohio 43008  
PHONE: 740-323-0644  
email: saengland@surveyohio.com

I hereby certify that an actual survey of the premises was made, and that this plat is correct to the best of my knowledge.

2/1/21

Date

Scott A. England, P.S.  
Ohio Registered Surveyor #S-7452



# OnTrac Property Map



January 27, 2022

- Centerline Labels
- Street Number Only
- Sales - 2022
- Interstate/US/State Route
- County Road
- Owner Name & Acres
- Interstate
- Township Road
- Other Road Type
- Driveaway
- Municipal Corporations
- Jurisdictional Townships

188 Feet  
0 188 Feet

0.04 Miles  
0 0.04 Miles

Interstates  
Municipal Corporations  
Jurisdictional Townships

Interstate/US/State Route  
County Road  
Owner Name & Acres

Street Number Only  
Sales - 2022

Licking County Auditor GIS

LICKING COUNTY TAX MAP