

MEETING NOTICE

The City of Troy Tax Incentive Review Council Annual Meeting will be held **Friday, March 6, 2020 at 9:00 A.M.** in the Second Story Conference Room in City Hall, 100 South Market Street, Troy, Ohio.

AGENDA

- Call to Order
- Roll Call:
 - Amber Neal, Chairperson
 - Ron Musilli, Vice-Chairperson
 - Anthony Fraley, Treasurer, UVCC
 - Jeff Price, Treasurer, Troy City Schools
 - Kim Harvey
 - Matthew Post
 - Ted Ristoff
 - Jordan Romberger
- Election of Vice Chairperson in accordance with Article VI of the By-Laws
(Note: Chairperson is set by Ohio statute as County Auditor's representative.)
- Acceptance of minutes of the February 20, 2019 Annual Meeting
- Review and recommendation of Troy Towne Park TIF
- Review and recommendation of active Enterprise Zone Agreements
- Other
- Adjourn

If you cannot attend this meeting, please call the City of Troy Development Department at (937) 339-9601 or email Tim Davis at tim.davis@troyohio.gov.

**TAX INCENTIVE REVIEW COUNCIL ANNUAL MEETING
MINUTES OF FEBRUARY 20, 2019**

The annual meeting of the Tax Incentive Review Council (TIRC) was convened on February 20, 2019 at 1:30 P.M. by Amber Neal roll being called. Those in attendance were Amber Neal of the Miami County Auditor's office; Jeff Price representing the Troy City Schools, Kim Harvey, Bill Rozell, Ted Ristoff, and Ron Musilli. Members Anthony Fraley representing Upper Valley Vocational School District and Jordan Romberger, were not present. City staff members present included Jim Dando, Tim Davis, and Gregg Harris with the Troy Development Department. Reporter Melanie Yingst with the Miami Valley Today newspaper also attended.

According to the Ohio Revised Code, the chair of any local TIRC must be the county auditor or his designee. Therefore, Amber Neal automatically became the Chairperson, without election. In accordance with Article VI of the By-Laws (Election of Officers), a motion was made by Ristoff and seconded by Rozell to reelect Ron Musilli as Vice-Chair.

Motion carried 6-0

A motion was made by Musilli and seconded by Rozell to approve the minutes of the February 16, 2018 annual meeting.

Motion carried 6-0

Harris provided a summary of the Troy Towne Park Drive Tax Increment Financing (TIF) District, with it being the fifteenth annual review. In calendar year 2018, the city received \$339,638 of TIF payments. This meant the city was able to make 2018's bond payments of \$132,200 from the TIF proceeds, and not from the General Fund. The new businesses in the TIF District also have generated significant sales taxes for Miami County and municipal income taxes for the City of Troy.

Current Miami County Auditor records indicate the TIF property improvement valuations rose from zero at the start of the TIF in 2003 to \$22,652,600 in last year's review. In 2018 TIF valuations increased by another \$9,136,000 for a total of \$31,788,600. The resulting 2018 PILOTS were \$183,835 (or 42.68%) more than collected the year before.

The largest part of this increase is attributed to the StoryPoint senior living project, which is now completely on the tax roll. Construction also was completed for the Buffalo Pacific building, adding to the unusually large increase in value this year.

Harris recommended the TIF Fund be continued in 2019. A motion was made by Ristoff, seconded by Rozell, to recommend continuation of the TIF Fund.

Motion carried 6-0

Dando next summarized the Enterprise Zone (EZ) Program. Because the Legislature set the tangible personal property tax rate at zero, participants receive less actual tax benefits from participating in the program. The program remains effective, however, for projects that include substantial real estate improvements.

No new Enterprise Zone Agreements were approved during 2018, although a new EZA # 37 was finalized by the Miami County Commissioners in early January of 2019. That agreement will appear on next year's TIRC agenda.

Dando reported that jobs are up with the three companies wanting to continue their agreements. Dando recommended the TIRC make a recommendation to City Council for the continuance of the following four company agreements:

- EZA # 33 ConAgra Foods Packaged Foods, LLC (2010 Agreement)
- EZA # 34 ConAgra Foods Packaged Foods, LLC (2012 Agreement)
- EZA # 35 Clopay Building Products (2015 Agreement)
- EZA # 36 Arc Abrasives, Inc. (2015 Agreement)

Rozell made a motion to recommend to City Council the continuation of the four active agreements. Harvey seconded the motion.

Motion carried 6-0

Neal reported that property taxes are current for all the projects.

With no further business to come before the TIRC, on a motion from Ristoff, seconded by Rozell, with unanimous approval, the meeting was adjourned at 1:50 P.M.

Amber A. Neal, Chairperson

Jim Dando, Acting Secretary



Date: February 20, 2020
To: Tax Incentive Review Council
From: Gregg Harris, Development Department
Copy: Patrick Titterington, Director of Public Service & Safety
Re: Troy Towne Park TIF

The Tax Incentive Review Council (TIRC) is charged with reviewing annually any Tax Increment Financing (TIF) agreement and making a recommendation for continuation, modification, or cancellation of the agreement. City Council then votes on the recommendation for the TIF just as is done for Enterprise Zone agreements.

As provided in state laws, the TIF program provides financing for public improvements by allocating part of the future property tax payments to pay off the bond financing. The first payments from the Towne Park Drive TIF go to the Troy Schools (approx. 23.54%), with the balance going towards bond payments and other expenses. Although the bond payments could extend for up to 30 years, it's anticipated that the bond will be paid off before then.

This is the sixteenth annual review of the Troy Towne Park TIF. In the first two years, there were significant expenses for public infrastructure construction, but no collection of TIF payments. The authorizing legislation anticipated this, and allowed for the first two years of interest payments to be paid from the bond proceeds. In calendar year 2019, the city received \$443,915 of TIF payments. This meant the city was able to make 2019's bond payments of \$129,200 from the TIF proceeds, and not from the General Fund. There also was sufficient revenue for certain allowable auditor expenses.

Current Miami County Auditor records indicate the TIF property improvement valuations rose from zero at the start of the TIF in 2003 to \$31,778,600 in last year's review. In 2019 TIF valuations increased by another \$4,444,300 for a total of \$36,232,900. The resulting 2019 PILOTS will be \$157,878 (or 20%) more than collected the year before.

Beyond the normal across the board increases in TIF values in 2019, Story Point, Buffalo Pacific and Wal-Mart properties greatly contributed as the primary producers. Additionally, the new Home2Suites Marriott hotel started construction further increasing the overall TIF valuations.

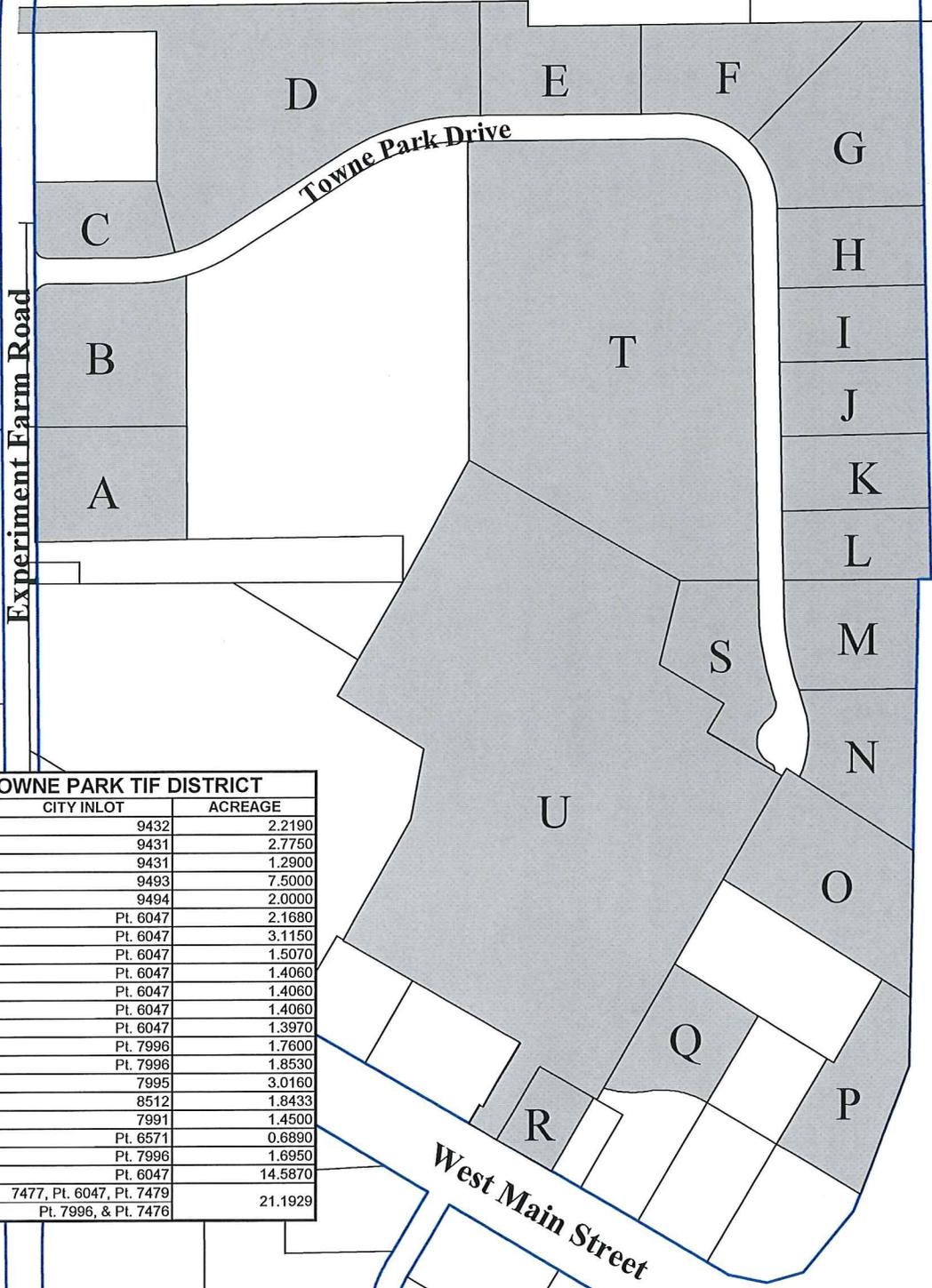
The total annual collected TIF payments are still paying off the bond-financed road improvements as planned. The new businesses there have also generated significant sales taxes for Miami County and city income taxes for Troy.

I recommend that the TIRC recommend to the City Council that the TIF be continued in 2020.

TIF PARTICIPANTS - 2019 DATA

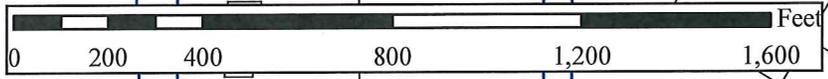
Map Lot Letter	OWNER	ADDRESS LOCATION	Business Occupant(s)	PARCEL #	TIF Market Value (land+imp.)	Total Acres
A	Buffalo Pacific LLC	1141 Experiment Farm R	Buffalo Pacific	D08-104610	\$1,103,200	2.219
B-0	CFM Land Investment LLC	Towne Park Dr	Park Corner South:	D08-105686	\$941,300	1.715
B-1		1187 Experiment Farm R	Frickers			
B-2		1187 A Experiment Farm	Cold Stone Creamery			
B-3	CFM Land Investment LLC	Experiment Farm Rd	Vacant Lot	D08-105688	\$106,400	1.060
C-0	Park Corner North LLC	1201 Towne Park Dr	Park Corner North:	D08-104614	\$580,600	1.290
C-1		1201 A Towne Park Dr	Winan's Chocolates and Coffees			
C-2		1201 C Towne Park Dr	Jay & Mary's Book Center			
C-3		1201 F Towne Park Dr	Novacare Physical Therapy			
C-4		1201 G Towne Park Dr	Cassanos Pizza & Subs			
Da-0	Towne Park Office Condos LLC	1861 Towne Park Dr	Office Building 1:	D08-105312	\$0	4.314
Da-1	Towne Park Office Condos LLC	1861 Towne Park Dr	Common Area of Condo	D08-105313	\$0	1.492
Da-2	C & S Management Group LLC	1861 Towne Park Dr	Procare Vision	D08-105700	\$374,700	
Da-3	C & S Management Group LLC	1861 Towne Park Dr	Procare Vision	D08-105800	\$314,300	
Da-4	Retina North LLC	1861 "C" Towne Park Dr.	Retina Physicians & Surgeons	D08-105798	\$313,000	
Da-5	Pleasant View Properties	1861 "H" Towne Park Dr	Southwest Ohio ENT Specialists & P	D08-105698	\$295,300	
Db-0	Harson Investments Ltd	1855 Towne Park Dr	Vacant Lot	D08-105314	\$30,300	0.882
Dc-0	G & N Baldwal Investments Inc	1855 Towne Park Dr	Office Building 2:	D08-105212	\$624,600	0.812
Dc-1		1855 A Towne Park Dr	MAK Dental			
Dc-2		1855 B Towne Park Dr	Prime Lending			
E	Council on Rural Service Programs Inc.	1849 Towne Park Dr	Kids Learning Place	D08-251096	\$0	2.000
F-0	Harju Properties LLC	1845 Towne Park Dr	Towne Park Dentistry - Harju DDS	D08-105708	\$530,300	0.500
F-1	Harson Investments Ltd	Towne Park Dr	Vacant Lot	D08-105710	\$234,000	1.500
G - L	Harson Investments Ltd	Towne Park Dr	(Many vacant lots in one parcel)	D08-056328	\$840,200	13.460
M	SEVA At Towne Park LLC	1805 Towne Park Dr	Home2Suites	D08-106568	\$701,900	2.400
N	National Retail Properties LP	1801 Towne Park Dr	Outback Steakhouse	D08-105062	\$835,200	1.495
O	National Retail Properties LP	7995 Towne Park Dr	Harbor Freight Tools	D08-102146	\$734,600	3.016
P-0	Grote Properties LLC	1731-1743 W Main St	Troy Towne Place:	D08-102142	\$917,900	1.843
P-1		1731 W Main St	Jojo Vapes			
P-2		1733 W Main St	Smile Massage Spa			
P-3		1735 W Main St	Vacant / (World Class Img.)			
P-4		1737 W Main St	Watson's			
P-5		1741 W Main St	Maximized Living Health Center			
P-6		1743 W Main St	J's Cuisine			
Q	Edward C Kelsey Jr	1775 W Main St	Skyline Chili (pre-existing)	D08-102138	\$50,600	1.450
R	Harson Investments Ltd c/o Shell Oil C	1789 W Main St	Shell Oil Co (pre-existing)	D08-057971	\$247,100	0.689
S	UKP LLC	1800 Towne Park Dr	Comfort Inn & Suites	D08-102148	\$2,842,300	1.918
T	Dayton Montgomery Port Authority	1840 Towne Park Dr	Story Point	D08-056329	\$17,140,100	14.577
U	Palmik Realty LLC	1801 W Main St	Wal-Mart: (employees exempt)	D08-101061	\$6,160,400	10.112
U			Tax Division	D08-101060	\$122,600	4.456
U			Real Estate Division	D08-101066	\$117,000	4.253
U			Store Manager-Greg Foster/Ken Wisong	D08-056331	\$65,300	2.372
U				D08-102149	\$9,700	0.354
					\$36,232,900	80

Troy Towne Park TIF District



TROY TOWNE PARK TIF DISTRICT			
TIF PARCEL	CITY INLOT		ACREAGE
A	9432		2.2190
B	9431		2.7750
C	9431		1.2900
D	9493		7.5000
E	9494		2.0000
F	Pt. 6047		2.1680
G	Pt. 6047		3.1150
H	Pt. 6047		1.5070
I	Pt. 6047		1.4060
J	Pt. 6047		1.4060
K	Pt. 6047		1.4060
L	Pt. 6047		1.3970
M	Pt. 7996		1.7600
N	Pt. 7996		1.8530
O	7995		3.0160
P	8512		1.8433
Q	7991		1.4500
R	Pt. 6571		0.6890
S	Pt. 7996		1.6950
T	Pt. 6047		14.5870
U	7477, Pt. 6047, Pt. 7479 Pt. 7996, & Pt. 7476		21.1929

1 inch equals 400 feet



TO: Tax Incentive Review Council (TIRC)
FROM: Tim Davis, Assistant Development Director
DATE: March 6, 2020
SUBJECT: Enterprise Zone Reviews

The annual Tax Incentive Review Council (TIRC) meeting to review the December 31, 2019 status of each active Enterprise Zone Agreement (EZA) is scheduled for 9:00 A.M. on Friday March 6, 2020 in the second story conference room of Troy City Hall, 100 South Market Street. As always, this will be a public meeting that can be attended by any interested members of the public.

Ohio Revised Code Section 5709.85(C) (1) states:

“Annually, the TIRC shall review all agreements granting exemptions from property taxation under Chapter 725, or 1728, or under section 3735.671, 5709.62, 5709.63, or 5709.632 of the revised code, and any performance or audit reports required to be submitted pursuant to those agreements. With respect to each agreement, the council shall determine whether the owner of the exempted property has complied with the agreement, taking into consideration any fluctuations in the business cycle unique to the owner’s business, and, on the basis of such determinations, submit to the legislative authority written recommendations for continuation, modification, or cancellation of the agreement.”

The TIRC typically reviews each agreement, then discusses its options and makes a recommendation to the City Council before adjournment. This is necessary so the report and recommendation can be forwarded to the City Council for review by the appropriate Council Committee. The final decision of Council then can be considered at a regular City Council meeting, so the reports can be provided to the Ohio Development Services Agency prior to the deadline on March 31st.

Because of changes the Ohio Legislature made to the Tax Code in 2005, especially the reduction to zero percent for the tangible personal property tax on industrial equipment and machinery, Troy has far fewer active Enterprise Zone Agreements than in the past. As an incentive to retooling an existing plant, EZAs are now totally ineffective. For a major real estate improvement project such as a new building or major addition, the Enterprise Zone program still can provide an incentive for a company to locate or expand in Troy. Companies remained in the program for the same reason: major building investment that would greatly increase their real estate property taxes above their existing taxes. Existing real estate taxes are not eligible for abatement through the EZ program.

You will notice a relatively new agreement on the list this year. ConAgra Foods Packaged Foods, LLC successfully completed an EZ Agreement in December of 2018 that started in the late spring of 2019. Construction of this project is still in progress.

The December 31, 2019 status of active agreements and my recommendations to the TIRC are as follows:

Arc Abrasives, Inc. – EZ # 36 (2015 agreement)

This is a 2015 EZ agreement for construction of a 66,000 square feet manufacturing plant located at 2131 Corporate Drive. The Corporate Drive location combined operations from Arc Abrasives Plant 1 (85 Marybill Drive) and Plant 2 (55 Marybill Drive). The Corporate Drive building also accommodated more production equipment for a new line of industrial grinding/polishing supplies the company has developed, which is being marketed under the “Predator” brand name. The overall investment of \$4,800,000 included \$3,000,000 for the new building and a minimum of \$1,800,000 of new machinery and equipment. The associated job creation goal is to increase from 92 full-time employees to 107 within 3 years of completion of the project. During the initial 3-year period, data was reported annually and the EZA was recertified, but the investment and employment goals are not required to be met until December 2020. Employment increased from 92 in 2015 to 103 as of December 31, 2019. Arc Abrasive’s employment is close to meeting the hiring goal. **I recommend the TIRC recommend continuation of the agreement.**

Clopay Building Products Company, Inc. – EZ # 35 (2015 agreement)

This is a 2015 EZ agreement for a further 200,000 square feet addition to Clopay’s Troy plant. This expansion anticipated new investments totaling \$30,000,000, including \$16,800,000 of real estate improvements and \$13,200,000 of new machinery, equipment, furniture, fixtures, and new inventory. The project investment has been completed by the December 31, 2019 deadline as outlined in the agreement. The associated job creation goal is retention of 918 full-time equivalent job opportunities at the Troy plant and creation of 205 more within 4 years of the completion of the real property improvement portion of the project. During the construction period, data must be reported annually and the EZA must be recertified, but the investment and employment goals are not required to be met until their respective completion dates. Nevertheless, the company rapidly exceeded the job creation goal of 1,123 positions. Last year the company reported 1,253 full-time-equivalent employees and as of December 31, 2019, the company reported 1,352 full-time-equivalent employees. This number does not account for the employment of the Russia, Ohio facility which they kept in operation. **I recommend the TIRC recommend continuation of the agreement.**

ConAgra Foods Packaged Foods, LLC – EZ # 33 (2010 agreement)

This EZ agreement was approved in February 2010. ConAgra expanded its plant at 801 Dye Mill Road for production of meat snacks (Slim Jims). The company had 367 existing job positions and pledged to create 188 more for a total of 555 FTEs. As of December 31, 2019 the company reports 771, up again from last year’s 741 positions. ConAgra also continues to have a fluctuating number of temporary workers from an employment agency contract. **I recommend the TIRC recommend continuation of the agreement.**

ConAgra Foods Packaged Foods, LLC – EZ # 34 (2012 agreement)

This is the second EZ agreement for ConAgra, which was approved in September 2012. ConAgra made a comparatively small expansion to the original production line at its Troy plant, which makes frozen school-lunch pizza slices. The company had 643 existing job positions and pledged to create at least 10 more. As of December 31, 2019 the company reports 771 positions, up again from last year’s 741 positions. ConAgra also continues to have a fluctuating number of temporary workers from an employment agency contract. **I recommend the TIRC recommend continuation of the agreement.**

ConAgra Foods Packaged Foods, LLC – EZ # 37 (2019 agreement)

This is the third EZ agreement for ConAgra, which began March of 2019. ConAgra is required to make an investment at a minimum of sixty-nine million dollars (\$69,000,000) which includes twenty-seven million dollars (\$27,000,000) in real property improvement and forty-two million dollars (\$42,000,000) in tangible personal property. ConAgra is currently underway with an approximately 62,800 square feet addition to accommodate expansion production of meat sticks (Slim Jims). ConAgra is required to increase full-time employment by a minimum of fifty (50) employees. Job creation must take place within two years of the completion of the expansion project, which is estimated in December 2020. **I recommend the TIRC recommend continuation of the agreement.**