

Mayor's Message, May 2015

I am so happy that the temperatures are rising and the snow is melting at a gradual pace. The winter months are now behind us and we can look forward to spring and city improvement projects. I have highlighted a few of the many projects we are working on below:

Tax Increment Financing (TIF)

Council and the administration have been working hard on implementing a series of Tax Increment Financing plans at various locations throughout the city. Several people have asked me just what is a TIF, how does it work, what does it cost an average taxpayer and how much does the business being taxed save. Let me try to answer those. The simple answer is, it is merely a shifting of the way the real estate taxes are distributed.

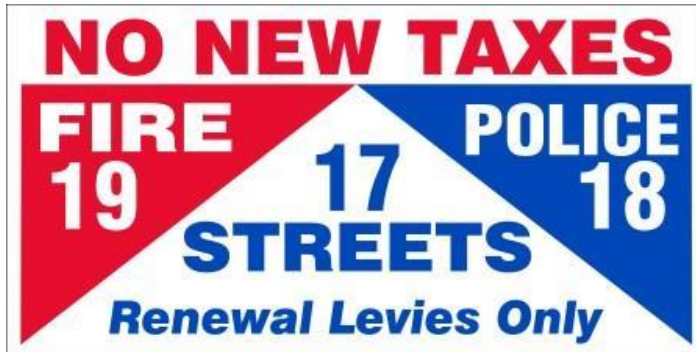
TIF is an economic development mechanism available to local governments to finance public infrastructure improvements defined within the TIF legislation. This only applies to new taxes being generated at a property such as a new building or an addition. Existing real estate taxes are not affected in any way. When real estate taxes are paid the North Ridgeville City Schools and Lorain County JVS receive 68% of the taxes paid, Lorain County 18% and the City of North Ridgeville (including the North Ridgeville Branch Library) receive 14% which is deposited into the city's general fund. Under these TIFs, the schools still get their 68%, but the remaining 32% is allocated to the city to be used for infrastructure projects with a nexus or connection to the property being developed. Examples include turning lanes, new traffic signals, road improvements or other public infrastructure improvements.

The property owner/business developer does not pay fewer taxes nor does the average taxpayer pay more. New taxes generated by the improvements are simply redistributed. The city can use TIFs as an enticement to a business to develop or to locate within the city, and it provides the revenue to make public improvements it might otherwise be unable to do. The intersection at Lear Nagle and Center Ridge, as well as the extension of Lear Nagle past Walgreens were improvements funded by TIFs. Both are good examples of new businesses that chose to locate within our city, partly because we could expend their tax dollars to make road improvements that made those locations more desirable. We hope to see more new businesses come to North Ridgeville as a result of the TIF legislation.

Keep Reliable, Responsive Community Services

You will see three levy renewal issues on the May 5th ballot. These issues are to renew existing levies that have been on the books for over twenty years and are vital to the operations of the city. Because these are renewal levies you **WILL NOT** see

an increase in your property taxes. These three levies combined generate about \$4 million in property tax revenues to the city. It is imperative that we renew all three levies to continue the services that our residents have come to expect and deserve.



Issue 17: Street Levy – renewal of an existing 1.9-mill tax levy for the purpose of general construction, reconstruction, resurfacing and repair of streets, roads and bridges, for a period of five years.

Issue 18: Police Levy – renewal of an existing 1.95-mill tax levy for the purpose of providing and

maintaining motor vehicles, communications, and other equipment used directly in the operation of the Police Department and payment of salaries of permanent police personnel, for a period of five years.

Issue 19: Fire Levy – renewal of an existing 1.9-mill tax levy for the purpose of providing and maintaining fire apparatus, appliances and buildings and sites therefor and for the payment of salaries for firefighters, for a period of five years.

To learn more about the levy renewals and to get all of your questions answered, attend the following Community Forum: Wednesday, April 15 at 6:30 PM at the North Ridgeville Branch Library.

Street Repairs

City Council approved the city's budget for 2015 at the March 16, 2015 council meeting. This was not done before spending three and a half days meeting with administration and each of the city's departments to review and approve proposed expenditures. As a result, a total of \$745,000 has been appropriated for street paving and repairs for 2015. This is nearly three times the dollar amount that has been appropriated in previous years. The winter months and cold temperatures have taken a toll on our residential streets. The Service Department will continue to be out in full force patching and repairing our roadways in the coming months. This is a good example of the importance of renewing Issue 17, Street Levy. Without these funds, the repairs would not be possible.

If you have any questions, please contact my office at (440) 353-0811.

Sincerely,
Mayor G. David Gillock