MEETING NOTICE

The City of Troy Tax Incentive Review Council Annual Meeting will be held **Thursday, March 9, 2023** at **10:00 A.M.** in the Second Story Conference Room in City Hall, 100 South Market Street, Troy, Ohio.

AGENDA

- Call to Order
- Roll Call:
  - Amber Murray, Chairperson
  - Ron Musilli, Vice-Chairperson
  - Anthony Fraley, Treasurer, UVCC
  - Jeff Price, Treasurer, Troy City Schools
  - Kim Harvey
  - Ted Ristoff
  - Jordan Romberger
  - Howard Wingert
- 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 March 29, 2022 Annual Meeting
- Review and recommendation of Troy Towne Park TIF
- Review and recommendation of active Enterprise Zone Agreements
- Other
- Adjourn

TAX INCENTIVE REVIEW COUNCIL ANNUAL MEETING
MINUTES OF MARCH 29, 2022

The annual meeting of the Tax Incentive Review Council (TIRC) was convened on March 29, 2022 at 10:00 A.M. by Amber Murray roll being called. Those in attendance were Amber Murray of the Miami County Auditor's office; Jeff Price representing the Troy City Schools, Anthony Fraley representing Upper Valley Career Center, Kim Harvey, Jordan Romberger and Matthew Post. Members Ted Ristoff and Ron Musilli were not present. City staff members, Tim Davis and Nikki Reese, with the Troy Development Department was also present.

According to the Ohio Revised Code, the chair of any local TIRC must be the county auditor or his designee. Therefore, Amber Murray automatically became the Chairperson, without election. In accordance with Article VI of the By-Laws (Election of Officers), a motion was made by Fraley and seconded by Harvey to elect Ron Musilli as Vice-Chair. Mr. Musilli was unable to attend today's meeting; however, he verbally said he still would be willing to serve as Vice-Chairman for another term should he be elected.

Motion carried 6-0

A motion was made by Price and seconded by Fraley to approve the minutes of the March 3, 2021 annual meeting.

Motion carried 6-0

Davis provided a summary of the Troy Towne Park Drive Tax Increment Financing (TIF) District, with it being the eighteenth annual review. In calendar year 2021, the city received $633,633 of TIF payments. This meant the city was able to make 2021's bond payments of $134,000 from the TIF proceeds, and not from the General Fund.

Current Miami County Auditor records indicate the TIF property improvement valuations rose from zero at the start of the TIF in 2003 to $35,108,400 in last year's review. In 2021 TIF valuations increased by $4,095,400 for a total of $39,203,800.

The majority of TIF values remained the same in 2021, with the exception of the new Home2 Suites Marriott hotel which completed construction in 2021 and a slight decrease was shown to Comfort Inn & Suites.

Davis recommended the TIF Fund be continued in 2022. A motion was made by Price, seconded by Romberger to recommend continuation of the TIF Fund.

Motion carried 6-0

Davis next summarized the Enterprise Zone (EZ) Program. 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 sill 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.

Davis reported on each of the company agreements, reviewing both the investment and job creation goals. The associated job creation goal for Arc Abrasives, Inc.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 as the investment goal was met. Employment had continuously increased from 92 (in 2015) to 103 (as of December 31, 2019). Arc Abrasive's employment was close to meeting the hiring goals when COVID-19 hit and suppliers reduced/canceled orders forcing Arc Abrasives to reduce staffing. In 2020, Arc Abrasives reported employment at 72 employees. As of December 31, 2021, Arc Abrasives reports numbers at 83 employees. Given the fact that Arc Abrasives is currently posting 15 open positions, and as the economy recovers from COVID-19, Davis expects that the employment numbers will return to the pre-COVID condition. Clopay Building Products rapidly exceeded their job creation goal of 1,123 positions and currently reports an employment count of 1,757. ConAgra Foods Packaged Foods, LLC has 3 EZA agreements and has met all their employment number requirements. As of December 31, 2021, the company reports 977 positions, which exceeds the required fifty (50) new employment requirements of their most recent EZA agreement (2019). Davis recommended the TIRC make a recommendation to City Council for the continuance of the following five 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)
- EZA # 37 ConAgra Foods Packaged Foods, LLC (2019 Agreement)

Fraley made a motion to recommend to City Council the continuation of the five active agreements. Harvey seconded the motion.

Motion carried 6-0

With no further business to come before the TIRC, on a motion from Price, seconded by Harvey, with unanimous approval, the meeting was adjourned at 10:15 A.M.

Amber A. Murray, Chairperson

Tim Davis, Secretary

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100 S. MARKET ST.
937-339-9481

TO: Tax Incentive Review Council (TIRC)

FROM: Tim Davis, Development Director

DATE: March 9, 2023

SUBJECT: 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 provided by the TIRC.

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 nineteenth 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 2022, the city received $608,198 of TIF payments. This meant the city was able to make 2022's bond payments of $129,300 from the TIF proceeds, and not from the General Fund. There also was sufficient revenue for certain allowable auditor expenses and engineering design fees.

Current Miami County Auditor records indicate the TIF property improvement valuations rose from zero at the start of the TIF in 2003 to $39,203,800 in last year's review. In 2022 TIF valuations increased by $1,006,300 for a total of $40,210,100 (a percentage increase of 2.6%).

The majority of TIF values remained the same in 2022, with the exception of the new Texas Roadhouse which completed construction in 2022 and a slight decrease was shown to Harson Investments LTD (Parcel # D08-056328).

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 2023.

TIF PARTICIPANTS - 2022 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 Group			
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	4.063
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	Southewest Ohio ENT Specialists & I	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 Rurual 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 - J	Harson Investments Ltd	1825 Towne Park Dr	(Many vacant lots in one parcel)	D08-056328	$458,900	9.056
K	Texas Roadhouse Holdings LLC	Towne Park Dr	Texas Roadhouse Parking Lot	D08-106890	$536,600	2.048
L	ANR Marine LLC	1809 Towne Park Dr	Texas Roadhouse	DO8-106888	$1,623,100	2.354
M	SEVA At Towne Park LLC	1805 Towne Park Dr	Home2 Suites	D08-106568	$5,150,500	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	Full Life Chiropractic			
P-4		1737 W Main St	Watson's			
P-5		1741 W Main St	Maxliving 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	$2,489,100	1.918
T	Troy Care 2015 LLC	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	$4,263,800	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
					$40,210,100	80

3/8/2023

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TO: **Tax Incentive Review Council (TIRC)**

FROM: **Tim Davis, Development Director**

DATE: **March 9, 2023**

SUBJECT: **Enterprise Zone Reviews**

The annual Tax Incentive Review Council (TIRC) meeting to review the December 31, 2021 status of each active Enterprise Zone Agreement (EZA) is scheduled for 10:00A.M. on Thursday, March 9, 2023 in the second-floor 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. The reports will be provided to the Ohio Development Services Agency.

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.

The December 31, 2021 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 former

Plant 1 (85 Marybill Drive) and former 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 as the investment goal was met. Employment had continuously increased from 92 (in 2015) to 103 (as of December 31, 2019). Arc Abrasive's employment was close to meeting the hiring goals when COVID-19 hit and suppliers reduced/canceled orders forcing Arc Abrasives to reduce staffing. In 2020, Arc Abrasives reported employment at 72 employees. As of December 31, 2021, Arc Abrasives reports numbers at 83 employees. As of December 31, 2022, Arc Abrasives reported employment at 92 employees. As the economy recovers from COVID-19, Arc Abrasives have increased their employment numbers the past three years; however, they have failed to comply with the requirements agreed upon in 2015 and have now just reached the original employee count. **I recommend the TIRC recommend continuation of the agreement; however, if the company does not meet compliance by years end, termination of the agreement will likely be recommended in 2024.**

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. The company rapidly exceeded the job creation goal of 1,123 positions. However, the company currently reports an employment count of 961 as of December 31, 2022. As the employment number is not required to be met until December 31, 2023, **I recommend the TIRC recommend continuation of the agreement.**

ConAgra Foods Packaged Foods, LLC – EZ # 33 (2010 agreement)
This EZ agreement was approved in 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, 2022, the company reports 1,064, up again from last year's 997 positions. **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 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, 2022, the company reports 1,064 positions, up again from last year's 997 positions. **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 in 2019. ConAgra was 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 completed 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 was completed in December 2020. As of December 31, 2022, the company reports 1,064 positions, which exceeds the required fifty (50) new employment requirements as last year they reported employment was 997. **I recommend the TIRC recommend continuation of the agreement.**