

FREDERICKTOWN FAÇADE IMPROVEMENT

How to Create Sustainable Redevelopment in Downtown Fredericktown



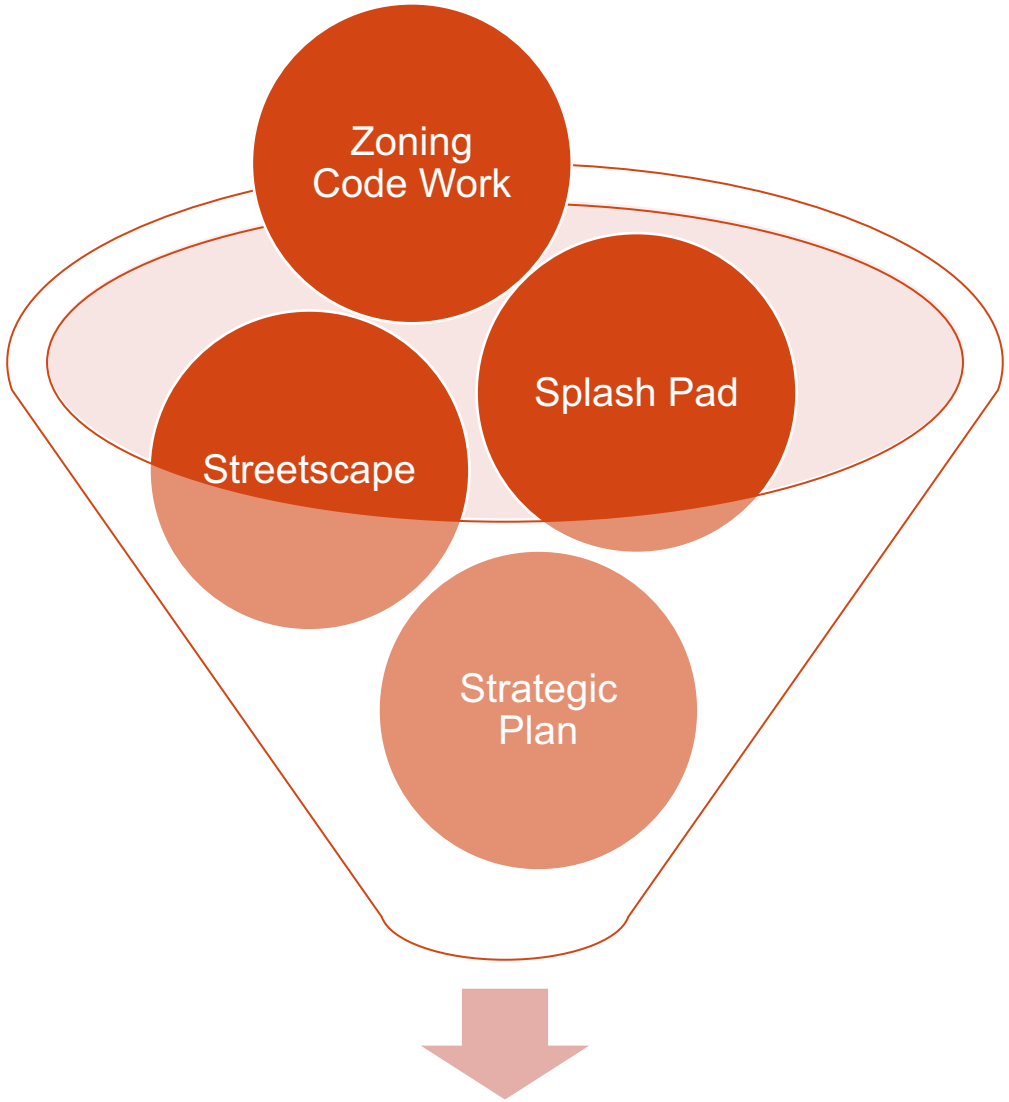
KNOX COUNTY AREA DEVELOPMENT FOUNDATION

- Non-profit organization serving as the economic developer for the entire county

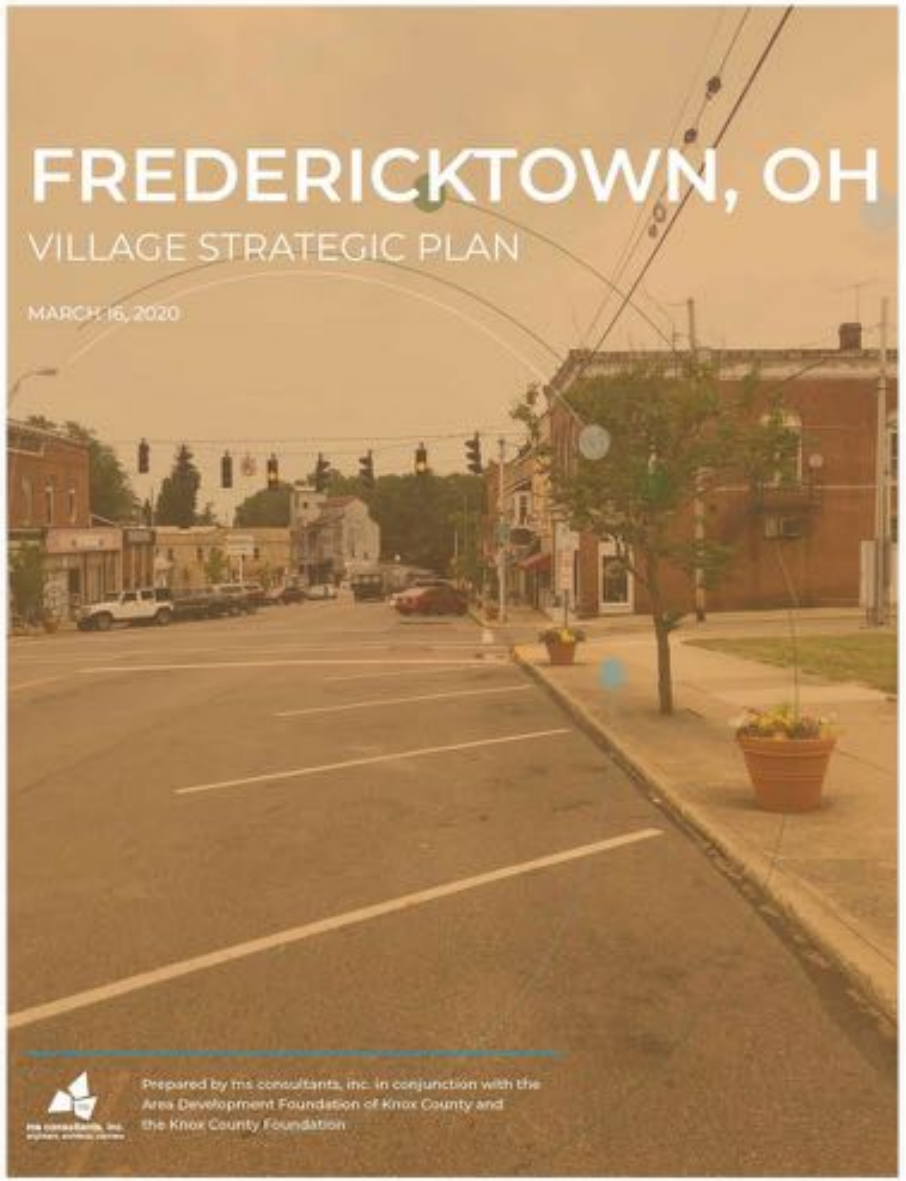
- Mission:

We cultivate an environment that creates **high quality jobs**, **matches good employers to qualified workers**, and **supports livable communities** throughout Knox County

WHY NOW?



Sustainable Redevelopment
in Downtown


FREDERICKTOWN, OH
VILLAGE STRATEGIC PLAN
MARCH 16, 2020
Prepared by ms consultants, inc. in conjunction with the
Area Development Foundation of Knox County and
the Knox County Foundation


PROPOSED FREDERICKTOWN
WATER PARK

STREETSCAPE IMPROVEMENTS

FREDERICKTOWN, OHIO

EDGE



WHAT IS A DOWNTOWN REDEVELOPMENT DISTRICT?

And how can it help support a vibrant downtown?

DOWNTOWN REDEVELOPMENT DISTRICT (DRD)



A DRD is an area of up to 10 acres around a historic property that the municipality wants to assist in redevelopment



All improvements within the district are classified as a “public good” and up to 70% of the improved property tax value can be put into a fund used within the district



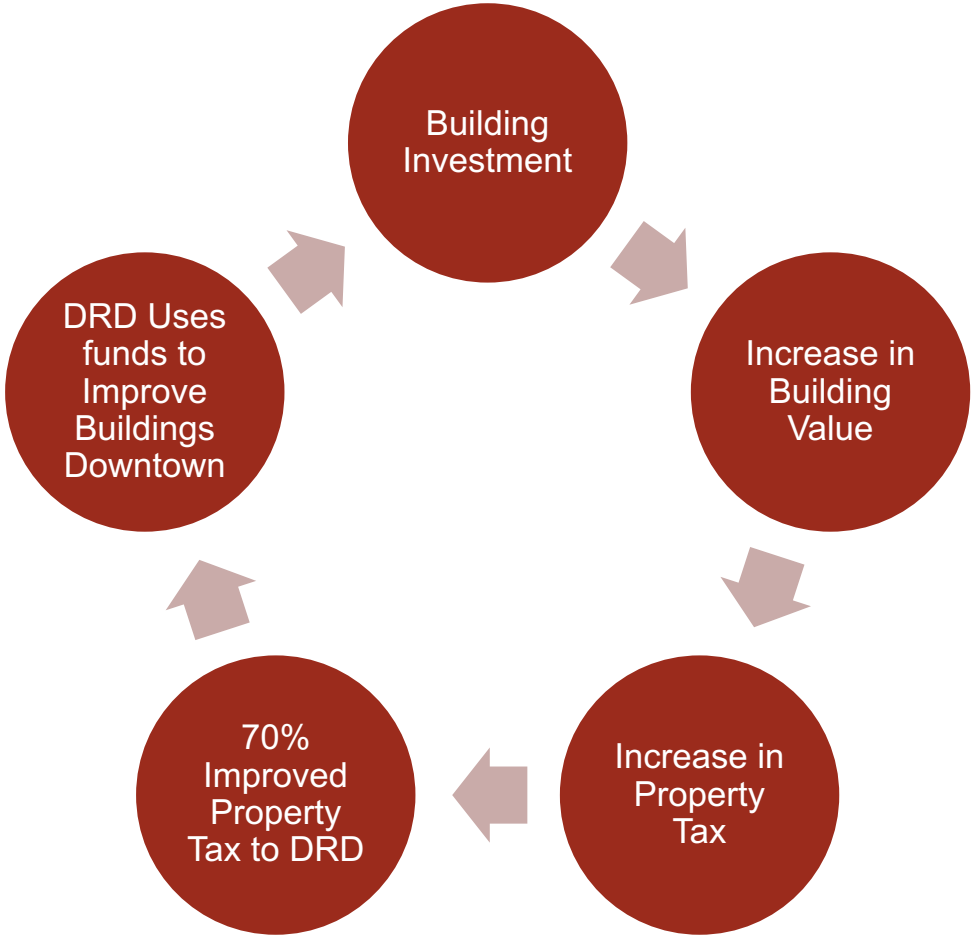
These funds can be given as grants/loans for redeveloping historic property or loans to non-historic property owners within the district



The funds can also be used for other enhancements like benches, streetscape, banners, or infrastructure work

Per Ohio Revised Code 5709.45 – 5709.47
Created by Village Ordinance

HOW DOES A DRD GET REVENUE FOR FAÇADE IMPROVEMENTS?



This cycle lasts the length of district:

- 10 years by Village ordinance
- Up to 30 years with approval from local school district

EXAMPLE OF INVESTMENT FEEDING DRD

Investment	New Assessed Value	New Taxes	DRD Increment over 10 Years	DRD Increment over 30 Years
$50,000	$17,500	$1,056	$7,392	$22,176
$100,000	$35,000	$2,112	$21,120	$63,360
$250,000	$87,500	$5,278.99	$36,952.93	$110,858.79
$500,000	$175,000	$10,557.98	$73,905.86	$221,717.58

This does not account for repayments of loans or increased property values outside of direct investment

HOW IS THE DRD MANAGED?

- **Fiscal Responsibility** – Village of Fredericktown
  - The DRD ordinance will create a separate fund under the oversight of the Fredericktown Village Council, managed by village staff
  - The State Auditor will be able to track the use of the funds through annual reports and the normal audit process
  - All allocations and collections involving the DRD fund will be approved by Council
- **Implementation Responsibility** – Fredericktown Community Development Foundation (FCDF)
  - Empowered by Village Council to market the DRD to property owners and solicit projects
  - Business owners within the district will apply for funds through FCDF which will then make recommendations to Village Council for funding

TENTATIVE DOWNTOWN REDEVELOPMENT DISTRICT MAP



TENTATIVE DRD DISTRICT QUICK FACTS

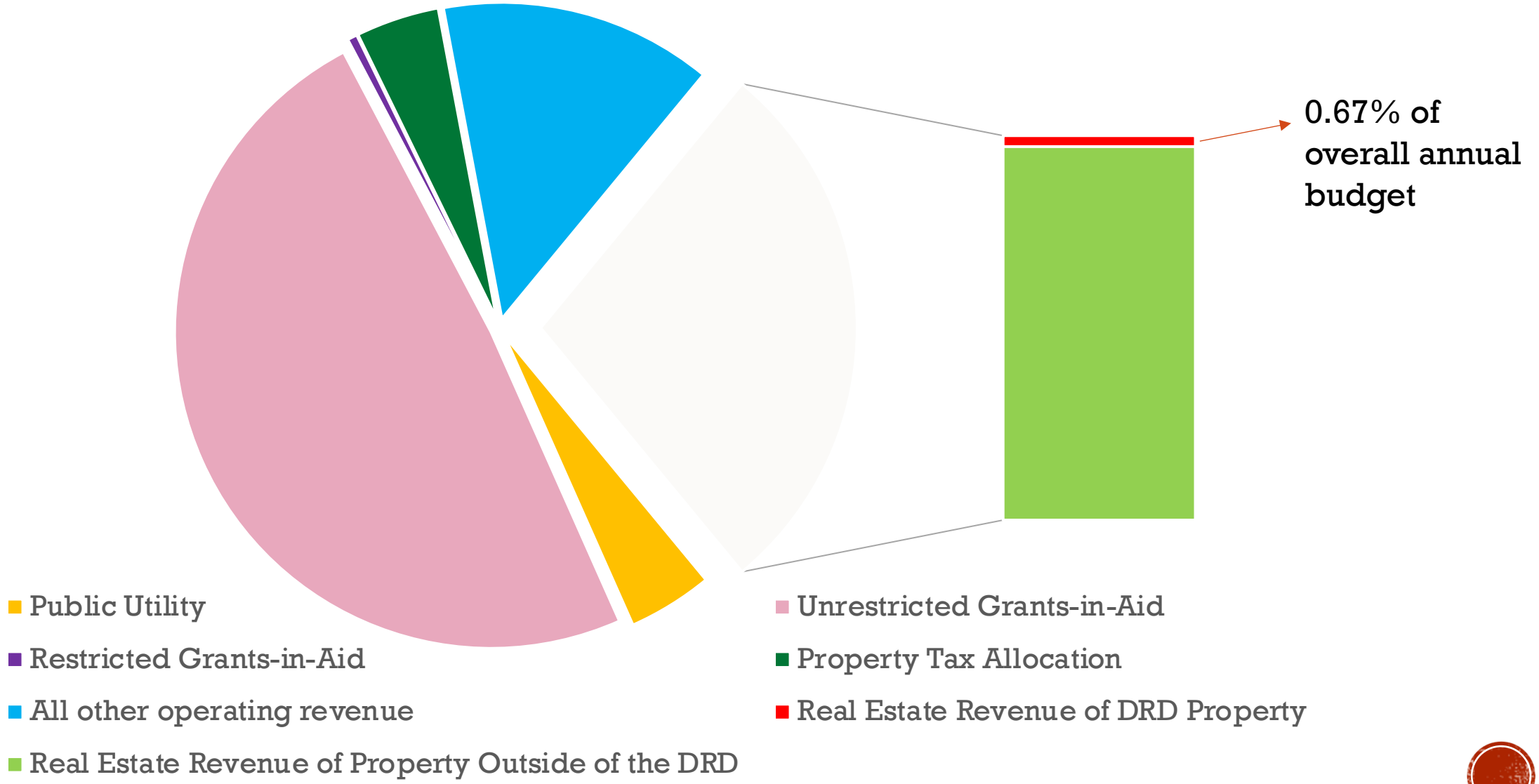
- **57 parcels totaling 9.9033 acres**
- **7 Properties on the National Register of Historic Properties**
- **Covers almost all of the commercial properties in downtown**
- **Total current property value = $4,584,080**



IMPACT ON SCHOOL BUDGET

- School district-wide real estate value: $177,667,910
- DRD real estate value: $4,584,080
- DRD represents 2.58% of the total real estate in the district
- None of the money collected today will be impacted by the DRD

IMPACT ON SCHOOL BUDGET



Data from the Fredericktown Local School District, Five-Year Forecast May, 2021

COMMUNITY COLLABORATION IS KEY

- The impact of this program is dictated by the collaborative effort of many partners
  - Village Council, School Board, FCDF, and Property Owners.
- A strong downtown benefits everyone
  - Increased surrounding property value – good for schools and property owners
  - More retail and dining options – keeps local money local and imports money from surrounding community
  - Vibrant downtowns attract employers and employees – good for the village, schools, and residents
- Community problems require community-based solutions

BIGGEST SELLING POINTS TO THE COMMUNITY

No extra assessment on to business owners or citizens

It will take very little if any Village money

And it does not create any new taxes

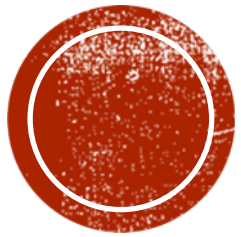
The 30% of improved property tax not allocated to the DRD goes to pay the schools and other entities

STEPS TO CREATE A DRD





1. Identify a historic building that qualifies for certification
2. Create a DRD economic development plan
3. Adopt a DRD financial model
4. Receive approval from the School Board for programs over 10 years
5. DRD district ordinance & public hearing
6. DRD agreements & annual reporting



QUESTIONS & COMMENTS