



City of Hudson, Ohio

Staff Report With Text

File #: 15-32 **Version:** 2 **Name:**

Type: Ordinance **Status:** Passed

File created: 2/18/2015 **In control:** City Council

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Title: AN ORDINANCE REPEALING ORDINANCE NO. 97-48 (AS AMENDED) REGARDING AN EQUIVALENCY FEE FOR PROPERTIES ADJACENT TO THE SOUTHERN INDUSTRIAL WATER LINE.
Executive Summary: This Ordinance repeals the equivalency fee required to be charged to properties tapping into the Southern Industrial Water Line.

Sponsors: William A. Currin

Indexes: Finance - Utilities

Code sections:

Attachments: 1. Ordinance No. 15-32

Date	Ver.	Action By	Action	Result
4/7/2015	2	City Council	third reading	
4/7/2015	2	City Council	adopted on third reading	Pass
3/17/2015	2	City Council	second reading	
3/3/2015	2	City Council	first reading	
2/24/2015	1	City Council Workshop	item forwarded	

AN ORDINANCE REPEALING ORDINANCE NO. 97-48 (AS AMENDED) REGARDING AN EQUIVALENCY FEE FOR PROPERTIES ADJACENT TO THE SOUTHERN INDUSTRIAL WATER LINE.

Executive Summary: This Ordinance repeals the equivalency fee required to be charged to properties tapping into the Southern Industrial Water Line.

Legislative History

Resolution No. 95-64 declared it necessary to construct a Southern Industrial Water Line and to assess the costs of the project to the petitioners. Ordinance No. 97-48 established an equivalency fee for property owners that did not pay the original assessment but wished to tie into the water line at a future date.

Purpose & Explanation

The cost of the Southern Industrial Water Line was assessed to the property owners that petitioned for the water line. The line basically covers the commercial/industrial parcels south of Barlow Road and some residential parcels in the southwest corner of the City and along Hudson Drive.

The City issued 20 year bonds to finance the project and assessed the cost of the debt to the petitioning property owners. There were property owners that did not wish to participate in the assessed project and therefore did not pay the assessment. The City established an equivalency fee of \$3,883 per acre (+ 6% interest) for the property owners that wished to tie into the water line at a later date.

This fee has been a significant deterrent for property owners tying into this water line, because of the major expense for prospective development. Most recently, the City received a request that would require the property owner to pay approx. \$150,000 for the Southern Industrial fee. This cost does not include the cost to run the line (labor, materials, tap fees, etc). As the Ordinance is currently written, there is no “sunset” provision to end the fee.

UPDATE FROM WORKSHOP DISCUSSION: The City refunded (ie. refinanced) these bonds in 2008 to obtain lower interest rates. In doing so, we do not have the ability to “call” these bonds early, which means we cannot pay them off at this time. We are still able to remove the assessment from the property owners and refund the remaining fund balance to them, however we simply need to pay the bonds as they come due. Because of this, there is no separate legislation to allow early extinguishment of the debt, as was discussed at the February 24, 2015 workshop.

Timing Considerations

Staff recommends three readings of this Ordinance to allow time for any public comments or concerns to be presented. As noted in the update above, an Ordinance retiring the debt early is no longer applicable.

Fiscal Impact

Currently Budgeted
Supplemental Appropriation
☒ Appropriation Not Required.

Suggested Action

Staff recommends approval of the legislation eliminating the Southern Industrial water line equivalency fee.

Submitted by,

Jane Howington, City Manager

Jeff Knoblauch, Finance Director