

ORDINANCE NO. O-2012-49

AN ORDINANCE AUTHORIZING THE AMENDING AND/OR SUPPLEMENTING OF THE RENTS SET FORTH IN ORDINANCE O-2012-3 ON MARCH 27, 2012 AND ESTABLISHING THE AMOUNT OF RENT TO BE PAID BY THE WATER REVENUE FUND AND THE SEWER REVENUE FUND TO THE GENERAL FUND FOR USE OF MUNICIPAL PROPERTY ON WHICH THE WATER AND SEWER PLANTS ARE LOCATED

WHEREAS, Ohio Revised Code Section 729.52 indicates that funds from sewer rentals shall be used for the payment or the cost of the maintenance, management, operation and repair of the sewage system and the sewage pumping treatment and disposal works; and

WHEREAS, Ohio Revised Code 743.04 indicates that the Village Administrator shall charge a water rent, or charge a sufficient amount which he determines, to be used for the purposes of conducting and managing the water works of a municipal corporation; and

WHEREAS, the Village of Windham owned the real estate on which the sewer plant is located prior to the sewer plant being established; and

WHEREAS, the Village of Windham owned the real estate on which the water plant is located prior to the time the water plant was constructed; and

WHEREAS, the Council of the Village of Windham desires to enact legislation in conformity with Ohio Revised Code 729.52 and Ohio Revised Code 743.04 to establish a fair, equitable and justifiable method through which the water revenue fund and sewer revenue fund can be used to pay its fair share for the use of municipal property acquired by the Village of Windham and paid for out of funds having its origin the Village of Windham General Fund; and

WHEREAS, a survey of properties which are rented or leased within the Village of Windham indicates that the two largest commercial leases in the Village draw an average lease rate of nine (9) dollars and twelve (12) dollars per square foot and that smaller businesses in the area pay rent in the same approximate range; and

WHEREAS, the landlords and tenants of these various leases who were questioned and responded with rental information, when asked about the value put on the actual land acreage, attributed very little of the cost of the lease to the use of the land, and in most instances opined that the cost of the land was approximately one percent (1%) of the lease value; and

WHEREAS, the Council has made a decision that it should conservatively estimate the general lease value in the Village to be eight (8) dollars per square foot, per year, and additionally conservatively estimates the land value to be 1.0 % of the lease cost.

NOW, THEREFORE, BE IT ORDAINED, by the Council of the Village of Windham, Portage County and State of Ohio, a majority of the members thereto concurring that:

SECTION 1. The rent to be charged to the water and sewer departments for use of the Village property on which the respective plants are located should be based on the following formula: \$8.00 square foot per year as fair market value of the lease , with 1.0% of that amount allocated to the land value, resulting in rent of \$0.08 a square foot per year.

SECTION 2. The land on which the sewer plant is located has a total acreage of 7.2 acres. 7.2 acres x 43560 square feet per acre x .08 dollars of rent square foot per year equals Twenty Five Thousand Ninety Dollars & 56/100 (\$25,090.56). It is hereby determined that the annual rent to be charged the sewer fund, to be payable to the General Fund of the Village of Windham shall be Twenty Five Thousand Ninety Dollars & 56/100 (\$25,090.56) per year, or Two Thousand Ninety Dollars & 88100 (\$2,090.88) per month.

SECTION 3. The land on which the water plant is located has a total acreage of 6.3 acres. 6.3 acres x 43560 square feet per acre x .08 dollars of rent square foot per year equals Twenty One Thousand Nine Hundred Fifty Four Dollars & 24/100 (\$21,954.24). It is hereby determined that the annual rent to be charged the water fund, to be payable to the General Fund of the Village of Windham shall be Twenty One Thousand Nine Hundred Fifty Four & 24/100 (\$21,954.24) per year, or One Thousand Eight Hundred Twenty Nine Dollars & 52/100 (\$1,829.52) per month.

SECTION 4. It is hereby found and determined that all formal actions of this Council concerning and relating to the passage of this Ordinance were accepted in an open meeting of this Council, and that deliberations of this Council and any of its committees that resulted in such formal actions were in meeting open to the public, in compliance with Section 121.22 of the Ohio Revised Code.

First reading: November 27, 2012
Second reading: December 12, 2012
Third reading: December 18, 2012

Vote of Council: Ayes: Mr. Garrett, Mr. Snyder, Ms. Blewitt, Mrs. Prem
Nays: Mrs. Barrett, Mrs. Miranda

ATTEST:

APPROVED:

Lloyd Billman, Fiscal Officer

Robert Donham, Mayor

I hereby certify that the above Ordinance was duly published by public posting at predesignated posting places.

Lloyd Billman, Fiscal Officer

APPROVED AS TO FORM:

Thomas Reitz, Solicitor