

**ORDINANCE NO. O-2012-3**

**AN ORDINANCE 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 .05 % 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 .5

% of that amount allocated to the land value, resulting in rent of \$0.04 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 .04 dollars of rent square foot per year equals Twelve Thousand Five Hundred Forty Five Dollars & 28/100 (\$12,545.28). 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 Twelve Thousand Five Hundred Forty Five Dollars & 28/100 (\$12,545.28) per year, or One Thousand Forty Five Dollars & 44/100 (\$1,045.44) 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 .04 dollars of rent square foot per year equals Ten Thousand Nine Hundred Seventy Seven Dollars & 12/100 (\$10,977.12). 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 Ten Thousand Nine Hundred Seventy Seven & 12/100 (\$10,977.12) per year, or Nine Hundred Fourteen Dollars & 76/100 (\$914.76) 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: January 24, 2012  
Second reading: February 28, 2012  
Third reading: March 27, 2012  
Passed in Council this 27<sup>th</sup> day of March, 2012

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

ATTEST:

APPROVED:

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Lloyd Billman, Fiscal Officer

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Robert Donham, Mayor

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

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Lloyd Billman, Fiscal Officer

APPROVED AS TO FORM:

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Thomas Reitz, Solicitor