

MAYOR'S MESSAGE

Craig A. Stough 2/25/2021

"Annexation Agreement Approved"

An Annexation Agreement has been unanimously approved by both the Sylvania Township Trustees and Sylvania City Council. The Agreement is a positive step forward for all of Sylvania, and will keep tax dollars in Sylvania, reduce the need for future annexations and allow us to focus on more community cooperation and improvements.

Per the Agreement, the City of Sylvania will cease its efforts to annex existing Township neighborhoods and businesses for ten years in exchange for the establishment of additional JEDD's (Joint Economic Development Districts) and the return to the City of \$225,000 of annual property tax collected by the Township from City residents.

Establishing JEDD's in Sylvania has been a goal for over twenty years. We had one nearly in place twenty years ago, but final agreement was never reached. That JEDD would have covered the entire Township requiring property owners to collect and share an income tax on all new business development.

Then, as now, anyone working in Sylvania Township did not pay income tax to the Township, but if those workers live in any municipality, as many do, they end up paying income tax there. So, Toledo, Maumee, Perrysburg and other municipalities benefit from the taxes not being paid in Sylvania Township.

As a result of the lack of JEDD's to keep those tax dollars in Sylvania, the City began annexing commercial properties wanting to connect to City of Sylvania utilities. Those included the Sylvania Avenue Kroger Store, the adjacent properties across Sylvania Avenue and properties on Alexis Road east of the City including Regency Healthcare.

For the most part, owners in new residential areas not adjacent to the City were permitted to connect to city water by signing Covenants promising to annex when the City asked. The City has collected, though not enforced, hundreds of those Covenants, many dating back twenty years and signed by the original homeowners.

In order to encourage the Township's consideration of JEDD's, the City began the process to enforce some of those residential Covenants. About 60% of the affected Township residents were already paying income tax where they worked, such as Toledo, Sylvania, Maumee, etc., so it would not be a new tax to them. Also, their property taxes would go down to a lower rate when annexed to the City, as would their water/sewer rates and trash/recycling expenses.

The other approximate 40% of the residents, however, would be newly required to begin paying income tax to the City of Sylvania, more than offsetting the savings on property tax, utility rates and trash collection/recycling expenses. Although those home owners are legally obligated to annex due to the Covenants signed, some chose to voice their objections to being annexed.

Those objections lead to the negotiations for the newly approved Sylvania Annexation Agreement. The 20 year old goal to establish JEDD's for the overall good of Sylvania has been reached by including it in an Annexation Agreement. This Annexation Agreement is a win for all of Sylvania! Both the City and the Township will benefit from sharing the income taxes collected in the JEDD's.

I personally thank Township Administration Oliver Turner, City Economic Development Director Bill Sanford and City Law Director Leslie Brinning for their nearly year-long negotiations to create a fair and balanced Agreement. And of course, thanks to all the elected officials for approving the Agreement. Well done by all!