

BOARD OF APPRAISERS MEETING

Dayton, Ohio

November 8, 2018

The regular meeting of the Board of Appraisers of The Miami Conservancy District (MCD) and its Subdistricts was called to order at 10:30 a.m. with David K. Galbreath, Jr., Chair; Robert A. Harris, Member; and Adam P. Kranbuhl, Member present.

Mr. Kranbuhl was appointed by the MCD Conservancy Court to the Board of Appraisers effective August 3, 2018. Mr. Galbreath and MCD staff welcomed Mr. Kranbuhl to the Board of Appraisers.

Members of the staff in attendance were: Janet M. Bly, General Manager; Rhonda K. Snyder, Secretary; Stephen M. McHugh, Attorney; Kenneth P. Moyer, Treasurer; and Kurt A. Rinehart, Chief Engineer.

COMPLIANCE WITH SUNSHINE LAW AND BYLAWS

The meeting was held in compliance with the Sunshine Law and MCD and Subdistrict Bylaws. The meeting information was posted on MCD's website. Miami Valley news media and individuals requesting such notification were notified of this meeting by first-class and/or electronic mail dated October 31, 2018.

MINUTES

The minutes of the March 15, 2016, meeting were provided to all members of the Board for review and comment.

The Board of Appraisers, on motion by Mr. Galbreath and seconded by Mr. Harris, unanimously approved the minutes for the March 15, 2016, meeting. Mr. Kranbuhl abstained from the vote.

Next Ms. Bly provided information regarding appointments to the Board of Appraisers and the background and purpose of the Board of Appraisers as described in Ohio Revised Code Section 6101.27.

BOARD OF APPRAISERS APPOINTMENT

Mr. James E. Sherron submitted his resignation from the Board of Appraisers effective December 19, 2017. Mr. Sherron served as a member of the Board of Appraisers for over 21 years, having been appointed by the Conservancy Court effective June 10, 1996.

At its meeting on June 29, 2018, the MCD Board of Directors passed a motion recommending that the Conservancy Court appoint Adam P. Kranbuhl to the Board of Appraisers to fill the vacancy left by the resignation of James E. Sherron. The Conservancy Court met on August 3, 2018 and approved the appointment of Mr. Kranbuhl to the Board of Appraisers.

As required by Ohio Revised Code 6101.27, Mr. Kranbuhl has taken and subscribed to an oath that he will faithfully and impartially discharge his duties as a member of the Board of Appraisers.

The next item of business was discussion regarding the Board of Appraisers' role in establishing values for MCD land acquisitions and for establishing benefits and damages by reason of execution of Official Plans. Mr. Moyer and Mr. Rinehart led the discussion.

LAND ACQUISITION

Section 6101.15 (K) of the Ohio Revised Code states that in order to accomplish the purposes of a conservancy district, the board of directors may:

Hold, encumber, control, acquire by donation, purchase, or condemnation, construct, own, lease, use, and sell real and personal property, and any easement, riparian right, railroad right of way, canal, cemetery, sluice, reservoir, holding basin, milldam, water power, wharf, or franchise in or out of the district for right of way, holding basin, location, or protection of works and improvements, relocation of communities and of buildings, structures, and improvements situated on lands required by MCD, or any other necessary purpose, or for obtaining or storing material to be used in constructing and maintaining the works and improvements.

Pursuant to Ohio Revised Code Section 6101.27 the Board of Appraisers has historically appraised (or approved appraisals) when MCD must acquire land and easements necessary for construction of the flood protection works defined in the MCD Official Plan.

Occasionally there is a need or an opportunity for MCD to acquire property or easements after construction of the flood protection works has been completed. In these situations, an Appraisal Record is not prepared prior to acquisition of the property or easement. Typical examples include:

- Resolving encroachments.
- Constructing levee improvements.
- Acquiring land for better maintenance access.
- Acquiring floodplain lands.

The Board of Directors may seek guidance from the Board of Appraisers before approving certain acquisitions.

APPRAISAL OF BENEFITS MAIN DISTRICT

Ohio Revised Code 6101.27 states:

"The board of appraisers . . . shall appraise all benefits and damages accruing to all lands within or outside the district and all benefits accruing to public corporations as entities by reason of the execution of the official plan."

Benefits to individual properties and public corporations provide the basis for computing assessments. The Board of Appraisers originally established benefits for the Main District (flood protection) in 1917 to allow for implementation of The Miami Conservancy District (MCD) Official Plan. MCD currently collects assessments for maintenance and capital improvements (Dam Safety).

Ohio Revised Code 6101.54 provides that the owners or representatives of twenty-five per cent or more of the acreage or value of the lands in a conservancy district or the board of directors of a conservancy district may file a petition with the clerk of the court having jurisdiction in the original case stating that there has been a material change in the values of the property in the district since the last previous appraisal of benefits. Upon hearing the petition, if the court finds there has been a material change in the values of property in the district since the previous appraisal of benefits, the court shall order that there be a readjustment of the appraisal of benefits for the purpose of providing a basis upon which to levy the maintenance assessment of the district.

This section also states that "there shall be no readjustment of benefits more often than once in six years." MCD completed the most recent readjustment of flood protection benefits (readjustment) in 2012.

The purpose of a readjustment is to equitably distribute the benefits, and related assessments, to property owners and public corporations. Therefore, in evaluating whether a readjustment is warranted, the change in value to individual parcels is considered, as well as the sum total change in property values within the benefitted public corporations.

Some reasons why an individual parcel may see a material change in value include:

- New construction or development
- Addition to existing building(s)
- Neighborhood investments
- Demolition or removal of structure(s)
- Loss of structure (fire)

Until a readjustment occurs, the benefit on an individual parcel is based on the value obtained during the most recent readjustment. Therefore the current benefit is based on the property value obtained during the 2012 readjustment.

Counties have reappraised values multiple times since the 2012 MCD readjustment. As a result, the MCD benefits and assessments do not capture the current county auditor value for individual parcels. The table below lists the counties where MCD has flood protection benefits and the reappraisal schedule for each county.

County	General Reappraisal	Triennial Reappraisal	General Reappraisal	Triennial Reappraisal
Butler	2014	2017	2020	2023
Hamilton	2011	2014	2017	2020
Miami	2013	2016	2019	2022
Montgomery	2014	2017	2020	2023
Warren	2012	2015	2018	2021

MCD performs a readjustment so the benefit and assessment computations reflect the most recent county values fulfilling the purpose of ensuring equity.

APPRAISAL OF BENEFITS SUBDISTRICTS

MCD has formed subdistricts for specific, defined purposes authorized by Chapter 6101 of the Ohio Revised Code.

Ohio Revised Code 6101.71 outlines requirements for creating a subdistrict, and states:

"Hereafter, the proceedings in reference to the subdistricts shall in all matters conform to this chapter, except that, in appraisal of benefits and damages for the purposes of the subdistricts, in the issuance of bonds or notes, in the levying of assessments, and in all other matters affecting only the subdistricts this chapter shall apply to each subdistrict as though it were an independent district, and it shall not, in these things, be amalgamated with the main district."

The Board of Appraisers for The Miami Conservancy District serves in the same capacity for subdistricts.

Aquifer Preservation Subdistrict (APS)

The Conservancy Court formed APS in 1995. The subdistrict's purpose is to develop and maintain an ongoing, watershed-wide program in support of comprehensive protection, management, and understanding of the region's water resources; to implement improvements and actions necessary in order to accomplish said purpose; and to work with existing federal, state, local, and regional agencies toward that purpose.

The Board of Appraisers established APS benefits to nine counties as public corporations (Butler, Clark, Greene, Hamilton, Miami, Montgomery, Preble, Shelby, and Warren), and adopted and approved the original Appraisal Record for APS in March 1996.

MCD completed the only readjustment of APS benefits in 2004.

The purpose of a readjustment is to equitably distribute the benefits, and related assessments, to the counties. Unlike the Main (flood protection) District where changes to individual property values may warrant a readjustment, the sum total of all the property values within the subdistrict boundaries in a county are considered when determining whether a readjustment is warranted for APS.

Until a readjustment occurs, the benefit to each county is based on the values obtained during the last readjustment.

Counties have reappraised values multiple times since the 2004 APS readjustment. As a result, the APS benefits and assessments for each county do not reflect the current county auditor values.

River Corridor Improvement Subdistrict (RCIS)

The Conservancy Court formed RCIS in 1999. The subdistrict's purpose is to enhance public use and enjoyment of river corridors utilizing improvements, amenities and activities along the river corridors.

The Board of Appraisers established benefits to political corporations (cities of Dayton, Moraine, West Carrollton, Miamisburg, and Hamilton; Montgomery County; and Miami Township in Montgomery County) and adopted and approved the Appraisal Record for RCIS in February 2001. MCD completed the only readjustment of RCIS benefits in 2016, which included benefits to the above-listed political corporations and added the City of Franklin. The RCIS benefits cannot be readjusted again until 2022.


RCIS benefits are based on improvements and amenities within the political corporation and do not reflect property values.

ADJOURN

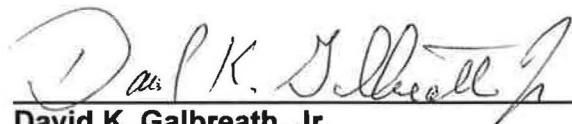
There being no further business, the meeting was adjourned by unanimous consent.

ATTEST:

APPROVED:



Rhonda K. Snyder
Secretary



David K. Galbreath, Jr.
Chair