

**An Analysis of a
Community Reinvestment Area
in the City of Ontario**

**Prepared For:
Mayor Randy Hutchinson
City of Ontario
555 Stumbo Road
Ontario, Ohio 44906**

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Anthony Jones Consulting, LLC

136 Clinton Heights

Columbus, OH 43202

419.345.7949

www.anthonyjonesconsulting.com

TABLE OF CONTENTS

Section 1: Introduction

- Background
- Project Scope
- Methodology

Section 2: Community Reinvestment Area Defined

- Program History
- How CRAs Work
- Statutory Requirements

Section 3: Community Reinvestment Area Analysis

- Industry Analysis
- Regional Analysis

Section 4: Community Reinvestment Area Recommendation

- Geographical Analysis
- Program Components

Section 5: Community Reinvestment Area Implementation

- Required Next Steps

Exhibit A: Ohio Revised Code Sections 3735.65-3735.70

INTRODUCTION

BACKGROUND

The City of Ontario (Ontario) is a strategically located municipality just west of Mansfield, Ohio. Its location has historically been significant for automotive manufacturing. Since the decline in the national automotive industry Ontario has been working diligently to reposition their community for economic success. This has led to a 17.4% increase in economic growth over the past 10 years.¹

Currently, Ontario is able to provide a variety of economic incentives to attract and retain jobs and capital. These incentive programs include: Ohio Enterprise Zone, Municipal Income Tax Rebates and Tax Increment Financing. All of these programs are valuable tools in the toolbox for Ontario's efforts to grow their economy.

However, the Community Reinvestment Area (CRA) program is currently not apart of Ontario's economic toolkit. This has a direct impact on the community's economic competitiveness compared to other locations in Ohio and throughout the nation.

SCOPE OF WORK

Anthony Jones Consulting (**AJC**) has been engaged to provide Ontario with a CRA Incentive Program Strategy that contains the following:

1. Statutory Summary of the CRA Program
2. Analysis of potential economic impacts of CRA Programs
3. Geographical analysis of potential CRAs within Ontario
4. Programmatic requirements to implement a CRA Program

This CRA Incentive Program Strategy will be referred to as "the Project" throughout the remainder of this document.

METHODOLOGY

In order to complete this project **AJC** utilized information from the Ohio Revised Code, Ohio Development Services Agency, JobsOhio, Richland County Auditor's Office, Richland County Regional Planning Commission, U.S. Census and other proprietary information databases.

The Ohio Development Services Agency provided a database of 673 existing CRA projects located throughout the state of Ohio. This statistically significant sample of CRA projects was analyzed to provide a summary of the impact that currently existing CRA projects are having on communities throughout the state.

JobsOhio provided the statewide regional designations and targeted industry information.

¹ Source: www.ontarioohio.org

The Richland County Auditor's Office provided all relevant real estate information pertaining to parcels located within Ontario, which includes parcel ownership, valuation and land use.

The Richland County Regional Planning Commission provided all geographical information pertaining to Ontario, which includes parcels and appropriate zoning.

The U.S. Census provided additional county level data that was necessary to provide relevant analysis under the scope of the Project.

The Ohio Development Services Agency also provided programmatic requirements and guidelines utilized in presenting the implementation section of the Project.

COMMUNITY REINVESTMENT AREA DEFINED

PROGRAM HISTORY

The state of Ohio established the Community Reinvestment Area (CRA) tax abatement program in 1977 in order to promote revitalization in depressed areas by offering property tax exemptions for any increased property valuation that would result from renovation of existing structures or new construction activities within a designated Community Reinvestment Area.

The CRA program has undergone major revisions since its inception. The most significant revisions occurred in 1994, which established the framework that allows local legislative authorities with jurisdiction over the area to determine the location of the CRA area as well as the term and extent of the real property exemptions. This is important to note because any future CRA area established within the City of Ontario would fall within the Post-1994 CRA Designation.

HOW CRAs WORK

Here is an example of how a CRA Program works for a commercial expansion project.

A business currently owns a 10,000 square foot commercial building that has a \$15,000 annual property tax liability. This business would like to expand their facility to 100,000 square feet in order to accommodate growth in their operations. A 100,000 square foot commercial building would have a \$150,000 annual property tax liability.

The host community deems that a CRA incentive is appropriate to encourage the project's completion. If the host community provides 100% tax abatement for the expansion project, the business would have all the new property taxes stemming from the 90,000 square footage expansion abated for the negotiated term of the agreement. The currently existing property taxes (\$15,000) would not be abated and would still be required to be paid despite the CRA incentive.

Therefore with the CRA incentive, the business would only have a \$15,000 annual property tax liability for a 100,000 square feet commercial building. This is compared to a \$150,000 annual

property tax liability for a 100,000 square feet commercial building without a CRA incentive. This demonstrates the financial significance of how a CRA incentive can encourage capital investment.

STATUTORY REQUIREMENTS

Although municipalities have the ability to establish CRAs, the CRA Program is ultimately governed by the state of Ohio. The Ohio Revised Code sections that govern CRA Programs include the following:

- 3735.65 Community Reinvestment Area Definitions
- 3735.66 Resolution describing boundaries of areas and eligibility for tax exemption
- 3735.67 Applying for exemption from taxation
- 3735.671 Written agreement where commercial or industrial property is to be exempted
- 3735.672 Annual Report
- 3735.673 Notice to legislative authority
- 3735.68 Revoking tax exemption
- 3735.69 Community reinvestment area housing council – powers and duties
- 3735.70 Appeals

These code sections are attached as Exhibit A to this report. Section 3735.65 of the Ohio Revised Code (ORC) defines a CRA as the following:

“an area within a municipal corporation or unincorporated area of a county for which the legislative authority of the municipal corporation or, for the unincorporated area, of the county, has adopted a resolution under section 3735.66 of the Revised Code describing the boundaries of the area and containing a statement of finding that the area included in the description is one in which housing facilities or structures of historical significance are located and new housing construction and repair of existing facilities or structures are discouraged.”

This statute outlines the required characteristics of an area within Ohio that makes them eligible to establish CRA.

The first criterion required is to establish a CRA is for the land to be within a municipal corporation or an unincorporated area of a county. Only these properties are eligible for a CRA within the state of Ohio. The City of Ontario qualifies as a municipal corporation, therefore it is an eligible area to establish a CRA.

The second criterion required to establish a CRA is for that a municipal corporation or county to adopt a resolution under section 3735.66 of the Ohio Revised Code. The legislative authority of a municipal corporation or county must pass this resolution.

At this time, the City of Ontario does not have a resolution in effect under 3735.66 of the Ohio Revised Code. Therefore, additional action is required to satisfy this criterion.

The third criterion required to establish a CRA is to create a description of the geographical boundaries of the area that is to be considered a CRA. This geographical boundary description must be identified in a resolution under section 3735.66 of the Ohio Revised Code passed by the legislative authority of a municipal corporation or county.

At this time, the City of Ontario does not have a geographical boundary description identified and documented in a resolution under section 3735.66 of the Ohio Revised Code. Therefore, additional action is required to satisfy this criterion.

The fourth criterion required to establish a CRA is to create “a statement of finding” that the geographical area to be considered a CRA is one in which housing facilities or structures of historical significance are located and new housing construction and repair of existing facilities or structures are discouraged. In order to create “a statement of finding”, a Housing Survey of the proposed geographical boundary of the CRA must be completed and documented in a resolution under section 3735.66 of the Ohio Revised Code.

The Ohio Development Services Agency (ODSA) describes what is required to be included in a Housing Survey. The Housing Survey must document that housing facilities exist within the proposed CRA and document specific evidence of disinvestment in structures located within the proposed CRA. For example: houses that are in disrepair (i.e. poor roofing, siding falling off, and porches coming off the houses). Basically, evidence that the structures have not been kept up. The Housing Survey must include a written narrative about the conditions of the proposed CRA and the photos with addresses of the structures in need of repair.

At this time, the City of Ontario does not have a completed Housing Survey documented in a resolution under section 3735.66 of the Ohio Revised Code. Therefore, additional action is required to satisfy this criterion.

The fifth criterion required to establish a CRA is to publish the resolution, identified in the second criterion above, in a newspaper of general circulation once a week for two consecutive weeks after the legislative authority of the municipal corporation formally approves the resolution. The entire body of the legislation must be published in the newspaper.

The sixth criterion required to establish a CRA is to complete a Community Reinvestment Area Petition for Confirmation and submit it to the Director of the ODSA. The ODSA will review the CRA Petition for Confirmation for compliance with all legal requirements under the Ohio Revised Code.

The seventh criterion required to establish a CRA is to receive a CRA Confirmation Certificate from the Director of the ODSA. Only upon receiving the CRA Confirmation Certificate from the Director of the ODSA can a municipal corporation implement a CRA Incentive Program.

AJC, if requested, is prepared to assist with satisfying the entire abovementioned criterion to establish a CRA for the City of Ontario.

COMMUNITY REINVESTMENT AREA ANALYSIS

Since its creation, the CRA Program has been a widely used tool by local communities to help attract job creation opportunities, to retain local businesses, to assist in business expansion and to attract capital investment for both residential and commercial properties. The reason for the program's success is because of the significant financial value that the program offers to its recipients. The tax abatement value is often a major contributing variable in securing project financing and in making a project financially feasible to pursue. That being said, the communities that have a CRA Program have a significant economic advantage over those communities who do not provide a CRA incentive.

In order to demonstrate the impact that the CRA Program has had on Ohio communities, **AJC** has collected a statistically significant data set from ODSA that consists of 673 CRA projects from communities around the state of Ohio ("Data Set"). The information found within the Data Set will show the true financial return communities from around the state have received because of the CRA Program.

Of the 673 CRA projects analyzed for the Project, the average capital investment was \$7.3 million per project with an average of 42 new jobs created. Although total amount of capital invested and jobs created or retained varied by project, they all have one thing in common. The projects all happened because of the CRA Program.

The economic analysis below is separated up into two categories: 1) Industrial Analysis and 2) Regional Analysis. The Industrial Analysis highlights which industries are being targeted by CRA Incentives throughout the state. The Regional Analysis highlights how each region, defined by JobsOhio, is utilizing the CRA Program. It is important to note that real property investment is defined as investment in land and buildings and personal property investment is defined as investment in machinery, equipment and furniture.

INDUSTRY ANALYSIS

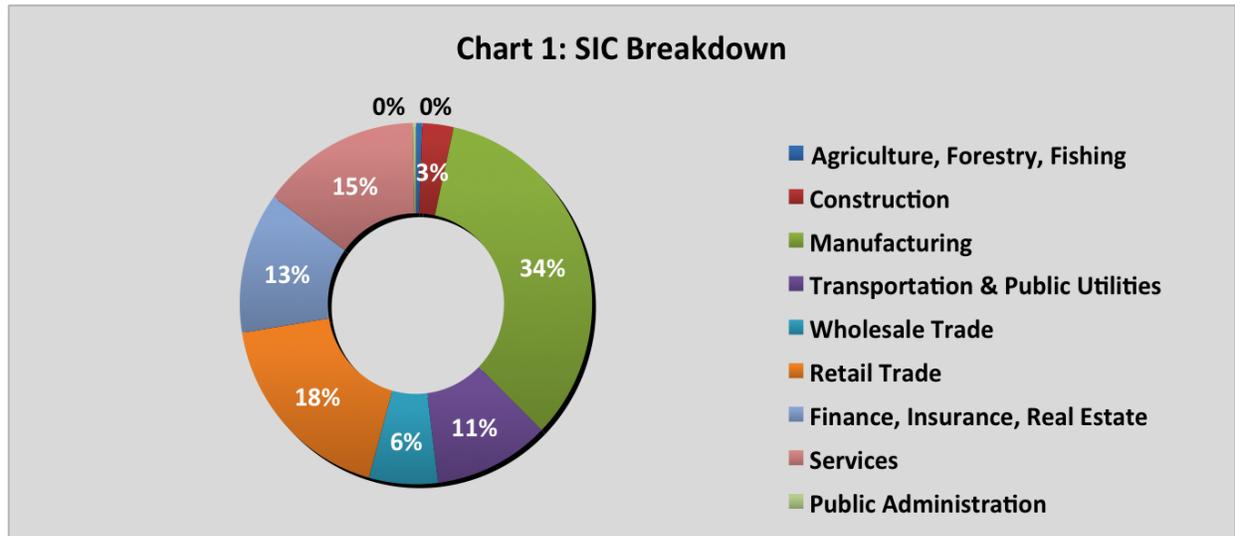
The Data Set allowed for a breakdown of a certain number of projects (348) by the nationally recognized Standard Industrial Classification (SIC). Established in the United States in 1937, it is used to classify industry areas by a four-digit code.

AJC has taken these SIC delineated projects and analyzed them to determine the following:

- 1) What SIC Industries are receiving CRA Incentives
- 2) Average Project Investment by SIC Industry
- 3) Average Job Creation/Retention by SIC Industry
- 4) Average Payroll by SIC Industry
- 5) Average Incentive Rate/Term by SIC Industry

This analysis is intended to be informative for the City of Ontario when determining whether or not to establish a CRA Incentive Strategy with specific Industry Targets.

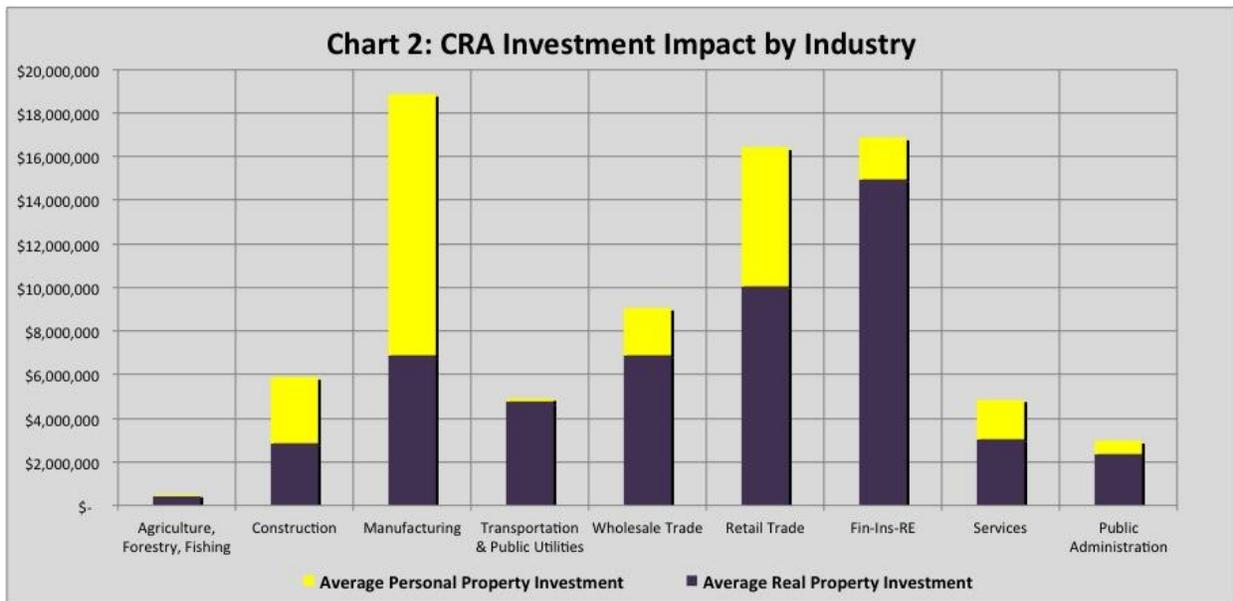
The SIC breakdown of the Data Set showed there were nine industries targeted with CRA Incentives with over 1/3 of all the CRA Projects being in the Manufacturing Industry. The next largest industries to receive CRA Incentives were Retail Trade, Services, Transportation/Public Utilities and Finance/ Insurance/Real Estate respectively. The chart below shows the SIC Breakdown per CRA Project (Chart 1).



The Manufacturing Industry currently employs over 655,000 people and generates \$87.2 billion in Gross State Product in the state of Ohio.² This fact helps to reveal the reason why the Manufacturing Industry receives the largest number of CRA abatements within the state. The Retail Trade Industry received the second largest number of CRA abatements. This lends itself to how communities around the state work to attract retail services for their citizens. Retail industries can improve the quality of life for a community, which is typically a high priority for local governments.

Chart 2 below shows the average amount of capital investment, both real property and personal property, per CRA Project by SIC Industry. The Manufacturing, Finance /Insurance/Real Estate, Retail and Wholesale Trade Industries generate the most amount of capital investment per project. The industries with the least amount of capital investment are the Agriculture, Public Administration and Services Industries.

² JobsOhio Advanced Manufacturing Fact Sheet



It is understandable that the Finance/Insurance/Real Estate Industry has the most Real Property Investment because real estate investment is typically greater for this industry compared to personal property investment, which consists of machinery and equipment. In addition, the state of Ohio is a headquarters state for three of the top 20 U.S.-based banks and four of the top 35 U.S.-based insurance companies. With more than 173,000 employees, the Finance/Insurance/Real Estate Industry plays a significant role in Ohio’s economy.³

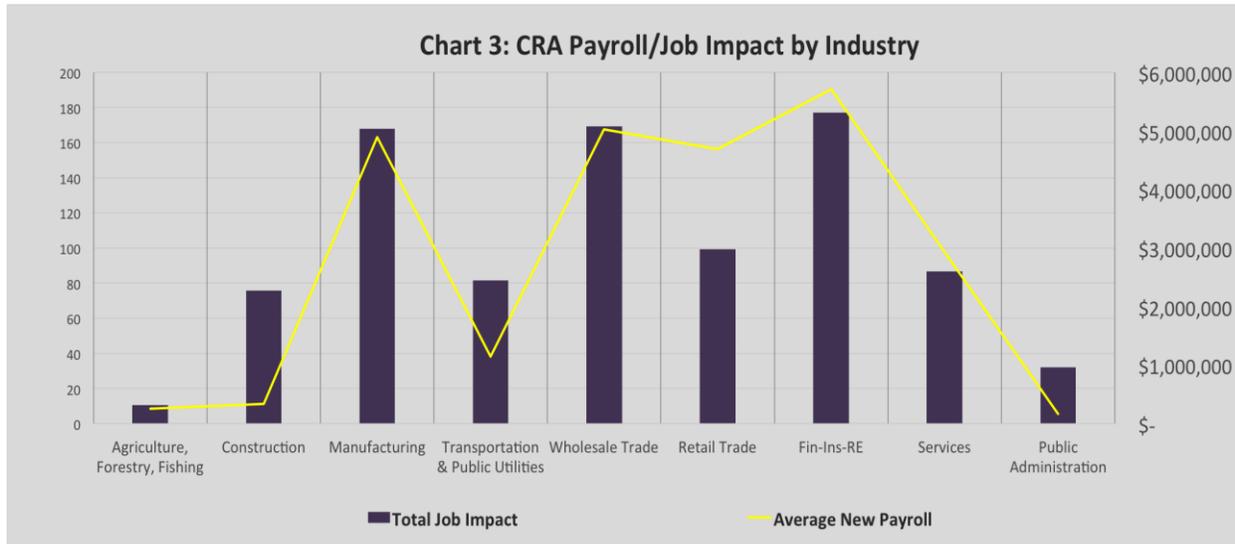
It is understandable that the Manufacturing Industry has the most Personal Property Investment because it requires significantly more machinery, equipment and furniture compared to the other SIC Industries. It is important to note that most communities do not reap a direct financial benefit from companies making personal property investments, except for local school districts in certain circumstances. However, evidence shows that the more a business invests in their local operations, the more likely they will be rooted in that location in order to recoup their investment. This is a contributing factor for a successful business retention strategy.

The Total Average Investment clearly shows that the Manufacturing, Finance/Insurance/Real Estate and Retail Trade Industries make the most investment per project when receiving a CRA Incentive. Since investment is directly correlated with longevity at a particular location, it is reasonable to assume that these industries would remain in their respective communities longer into the future than the other industries analyzed. The longer a company’s commitment to their location, the more sustainable the revenue stream for Ohio communities.

Therefore it is more advantageous for communities to provide CRA Incentives to those industries that lead to the largest amount of total capital investment.

³ Jobs Ohio Financial Services Fact Sheet

Chart 3 below shows two variables per CRA Project by SIC Industry. The first variable is the Average Total Job Impact by CRA Project per SIC Industry, which is the sum of the Average Jobs Created and Average Jobs Retained by CRA Project. The second variable is the Average New Payroll generated per CRA Project by SIC Industry.



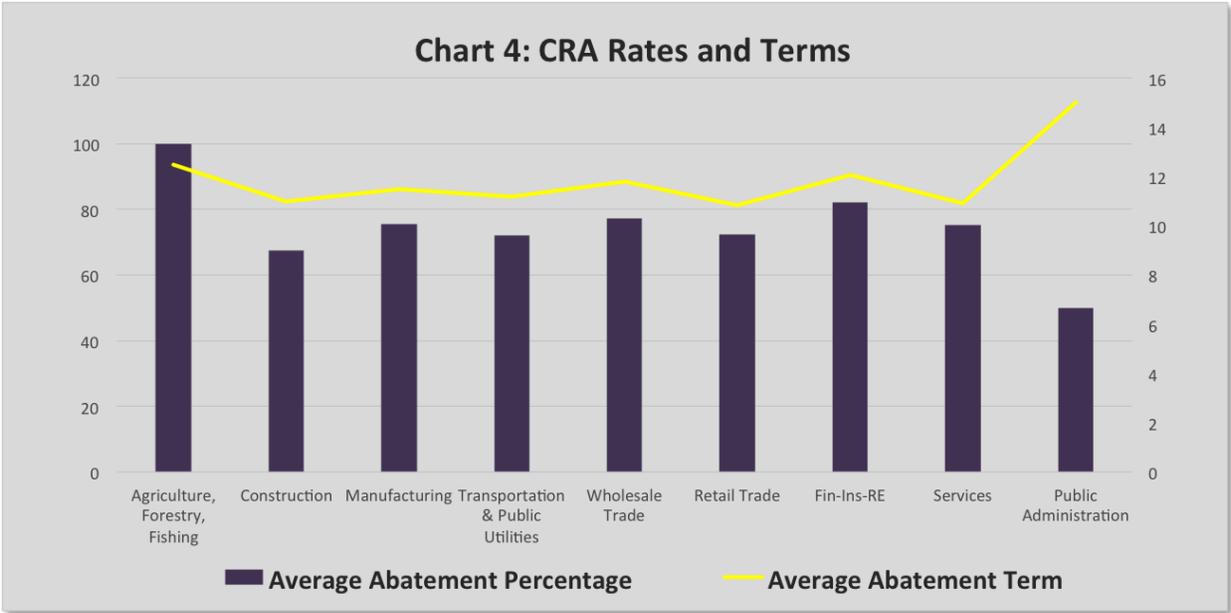
The Data Set clearly shows that the Finance/Insurance/Real Estate, Wholesale Trade and Manufacturing Industries generate the most amounts of jobs created and jobs retained per CRA Project. The Average Total Job Impact showed the Finance/Insurance/Real Estate Industry has an Average Total Job Impact per CRA Project at 177 jobs. The next industries with the largest Average Total Job Impact per CRA Project were the Wholesale Trade (169) and Manufacturing (168) Industries. As mentioned above, the state of Ohio is well positioned to attract and retain businesses within the Finance/Insurance/Real Estate and Manufacturing Industries, which directly correlate to job creation and retention. The lowest Average Total Job Impact was in the Public Administration (32) and Agriculture (11) Industries. As referenced above, these industries are also in the low end of capital investment.

The Data Set also clearly shows that the Finance/Insurance/Real Estate Industry created the largest Average New Payroll of approximately \$5.7 million per CRA Project. The next largest New Payroll was the Wholesale Trade Industry with \$5 million per project and Manufacturing Industry with \$4.8 million. It is understandable that the three industries with the largest Total Job Impact have the largest Average New Payroll. The lowest Average Payrolls per CRA Project were the Public Administration (\$165,699), Agriculture (\$250,000) and Construction (\$337,884) Industries respectively.

Since municipalities receive a majority of their income from withholding taxes on business payroll, the payroll figures in Chart 3 illustrates which industries are having the greatest financial impact on Ohio communities due to CRA Incentives. In summary, the Data Set shows that the CRA Program is generating payroll and in turn municipal withholding taxes for communities across the state.

Therefore it is more advantageous for communities to provide CRA Incentives to those industries that lead to the largest amount of Jobs and New Payroll.

The Average Abatement Percentage and Abatement Term by SIC Breakdown are shown in Chart 4 below. Only two industries, Construction and Public Administration, have an Average Abatement Percentage under 72%. All of the industries have an Average Abatement Term of 11 years or greater.



The Industrial Analysis of the Data Set confirms that the following industries would be the most financially rewarding industries to target with a CRA Program:

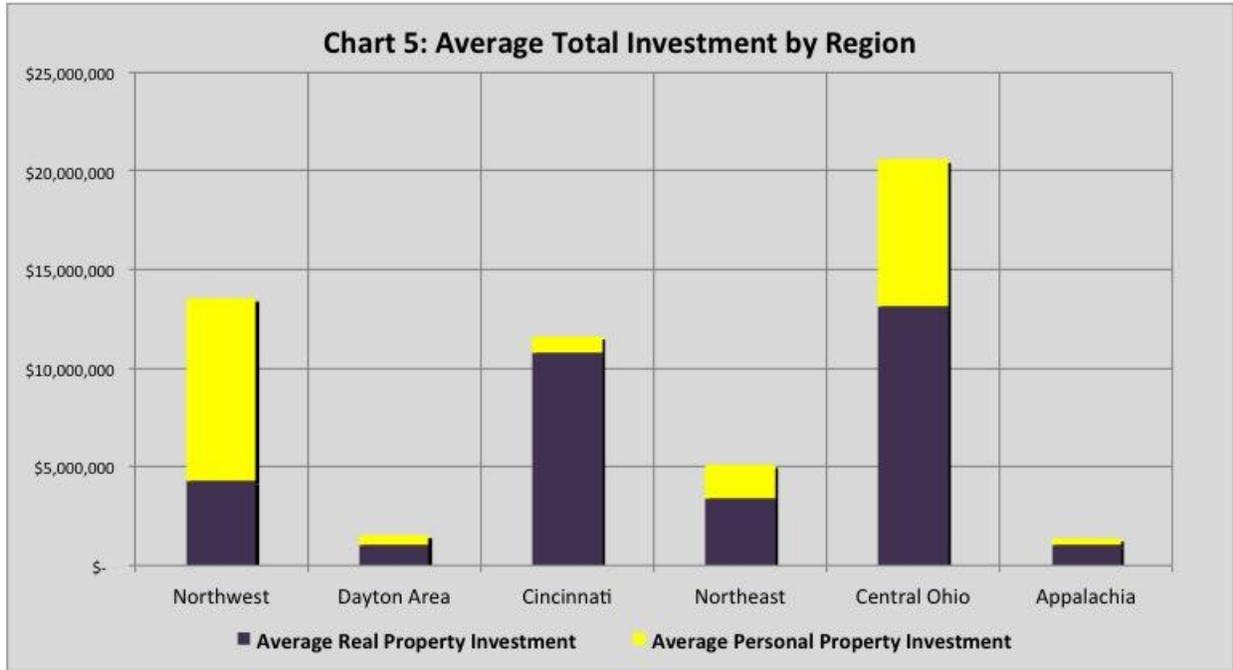
- Manufacturing
- Finance/Insurance/Real Estate
- Retail Trade
- Wholesale Trade

REGIONAL ANALYSIS

The Data Set identified a municipality or county for each of the 673 CRA Projects, which allows for a robust regional analysis of the data. This analysis is intended to be informative for the City of Ontario as they consider how competing communities within state of Ohio are utilizing CRA Programs.

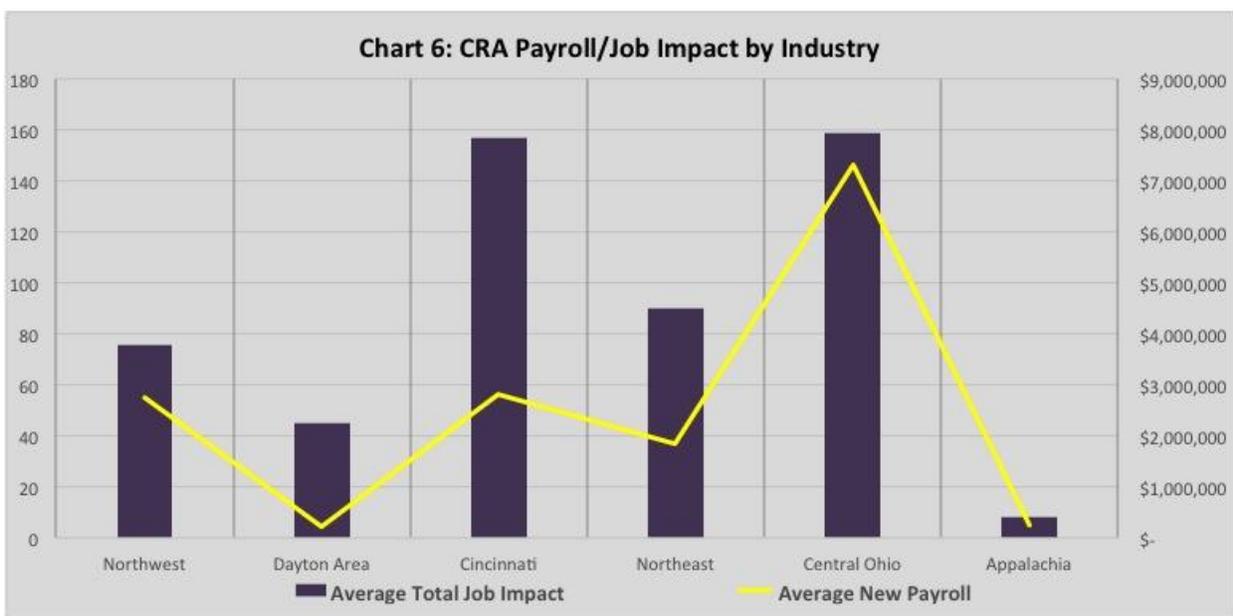
AJC has taken the CRA Projects by Region and analyzed them to determine the following:

- 1) Average Project Investment by Region
- 2) Average Job Creation/Retention by Region
- 3) Average Payroll by Region
- 4) Average Incentive Rate/Term by Region



The analysis of the Data Set reiterates how the Northeast Region, especially the City of Ontario, is facing stiff competition from projects involving the CRA Program. As referenced above, the longer a company’s commitment to their location, the more sustainable the revenue stream for the community.

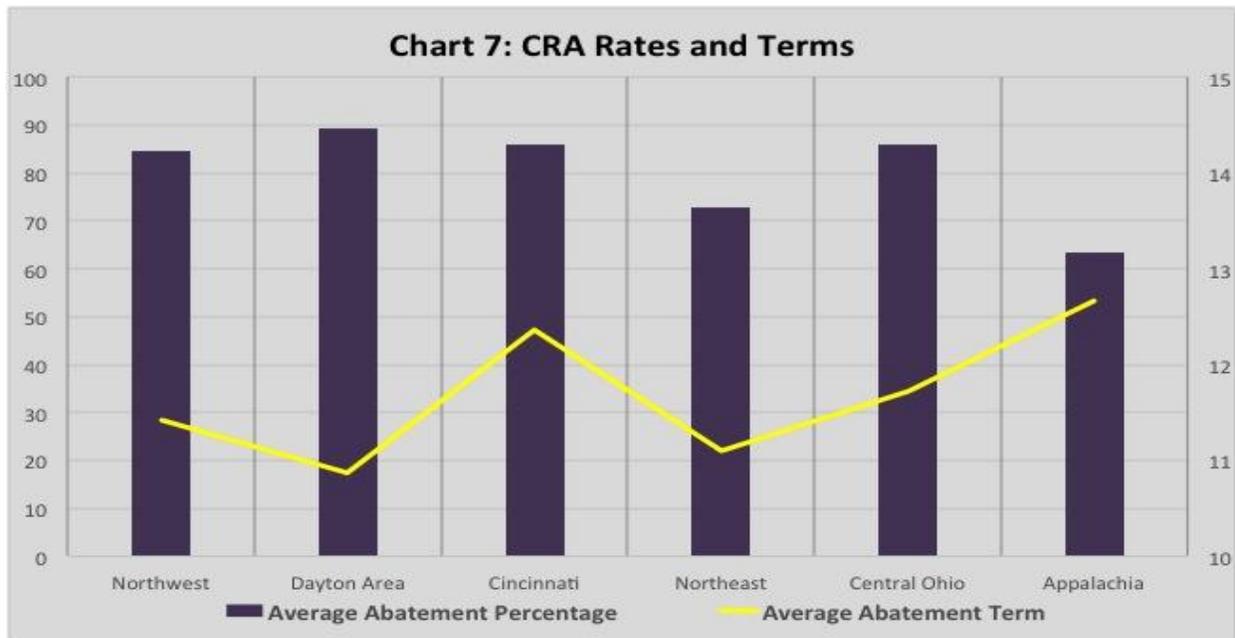
Chart 6 below shows two variables per CRA Project by Region. The first variable is the Average Total Job Impact by CRA Project per Region, which is the sum of the Average Jobs Created and Average Jobs Retained by CRA Project. The second variable is the Average New Payroll generated per CRA Project by Region.



As you can see the Central Ohio and Cincinnati Regions generate the most amount of jobs created/retained per CRA Project. The Central Ohio Region had a Average Total Job Impact of 159 jobs and the Cincinnati Region had a Total Average Job Impact of 157 jobs. The Northeast Region ranked third in Average Total Job Impact (90). The analysis of the Data Set shows that the City of Ontario and the Northeast Region are facing significant competition at attracting and retaining jobs.

The Average New Payroll analysis of the Data Set showed the Central Ohio Region with the largest amount of payroll of approximately \$7.3 million per CRA Project. The next largest Average New Payrolls was the Cincinnati Region with \$2.8 million per CRA Project and the Northeast Ohio Region with \$2.7 million per CRA Project.

The Average Abatement Percentage and Abatement Term by Region are shown in Chart 13 below. Only two regions have an Average Abatement Percentage under 80%, Northeast and Appalachia. All of the regions have an Average Abatement Term of 11 years or greater.



The Regional Analysis confirms that the Central Ohio and Cincinnati Regions are getting the most payroll, jobs and capital investment per CRA Project. This clearly demonstrates that communities within the Northeast Region need to adopt a more aggressive approach to using the CRA Program.

In addition to the Regional Analysis of the Data Set, there are several communities within adjacent counties to the City of Ontario that employ the CRA Program as part of their job creation strategy. The adjacent communities include the following:

- Richland County: Mansfield and Shelby
- Huron County: Norwalk and Willard
- Ashland County: Ashland, Bailey Lakes and Montgomery Township
- Crawford County: Bucyrus, Crestline and Galion
- Morrow County: Bennington, Cardington, Mount Gilead
- Knox County: Mount Vernon

The two communities within Richland County, Mansfield and Shelby, have a competitive advantage in attracting jobs and capital investment compared to the City of Ontario due to their use of a CRA Program.

In conclusion, the Industrial and Regional Analysis presented in this section provides a snapshot as to the return on investment that communities throughout the state are receiving in terms of capital investment, job creation, job retention and payroll by industry type and by specific state region. This analysis should help to formulate any potential CRA Incentive Strategy that is being considered by the City of Ontario.

COMMUNITY REINVESTMENT AREA RECOMMENDATION

AJC recommends that the City of Ontario establish multiple CRAs for the following reasons:

- 1) The City of Ontario is authorized by the State of Ohio to establish a CRA Program.
- 2) The City of Ontario is currently at a competitive disadvantage when compared to communities throughout the state that have CRA Programs.
- 3) The City of Ontario can increase its economic development toolkit in order to increase its competitive position in attracting capital investment and in creating and retaining jobs.
- 4) The Ohio CRA Program has demonstrated tangible results for providing incentives to many specific industries in regions all across the state.

GEOGRAPHICAL ANALYSIS

After consultation with the Administration of the City of Ontario, **AJC** has identified three areas that would benefit from having a CRA Program. The properties in the proposed CRA Districts represent the areas with the greatest economic development potential. Each has their own specific development opportunities. These CRA Districts will allow for the City of Ontario to target their CRA Incentive Programs to attract the specific type of investment within designated areas in their community.

The first CRA that **AJC** recommends is the Industrial Park CRA District. This CRA is roughly bounded by Lincoln Highway to the North; Lexington-Springmill Road to the East; Route 309/Park Avenue to the South; and Rock Road to the West, with a few parcels along Lincoln Highway just west of Rock Road. See Figure 2 below for additional details.

The proposed Industrial Park CRA District will help to encourage major commercial development within the industrial core of Ontario. The former GM Plant property and the Richland Mall site are within this district. Both of these properties present a tremendous opportunity for the City of Ontario to attract significant amounts of jobs and capital investment. In addition, there are large amount of agricultural land that could become developed over time. Establishing the Industrial Park CRA District will help with the transition from low-density agricultural uses to higher density commercial and mixed uses.

The second CRA that **AJC** recommends is the Mixed Use CRA District. This CRA is roughly bounded by Interstate 30 to the North; with multiple properties just east of Lexington-Springmill Road to the East; Lincoln Highway to the South; and Lewis Road to the West. See Figure 3 below for additional details.

The proposed Mixed Use CRA District will help to encourage additional commercial and residential development within a major corridor of the City. There are multiple infill areas within the Mixed Use CRA District that could become complimentary residential or commercial developments. In addition, as the commercial and residential population increases for the City, the Mixed Use CRA District would help guide sustainable development activity within the low-density areas.

The third CRA that **AJC** recommends is the Campus Area CRA District. This CRA is roughly bounded by the municipal boundaries to the North; with multiple properties just east of Lexington-Springmill Road to the East; Interstate 30 to the South; and municipal boundaries to the West. See Figure 4 below for additional details.

The proposed Campus Area CRA District will help to encourage additional commercial and residential development within the northern quadrant of the City. The recently announced OSU Mansfield Campus housing project is predicted to be a catalyst of additional residential and commercial development projects. There are multiple infill areas within the Campus Area CRA District that could become complimentary residential or commercial developments. In addition, as the commercial and residential population increases for the City, the Campus Area CRA District would help guide sustainable development activity within the low-density areas.

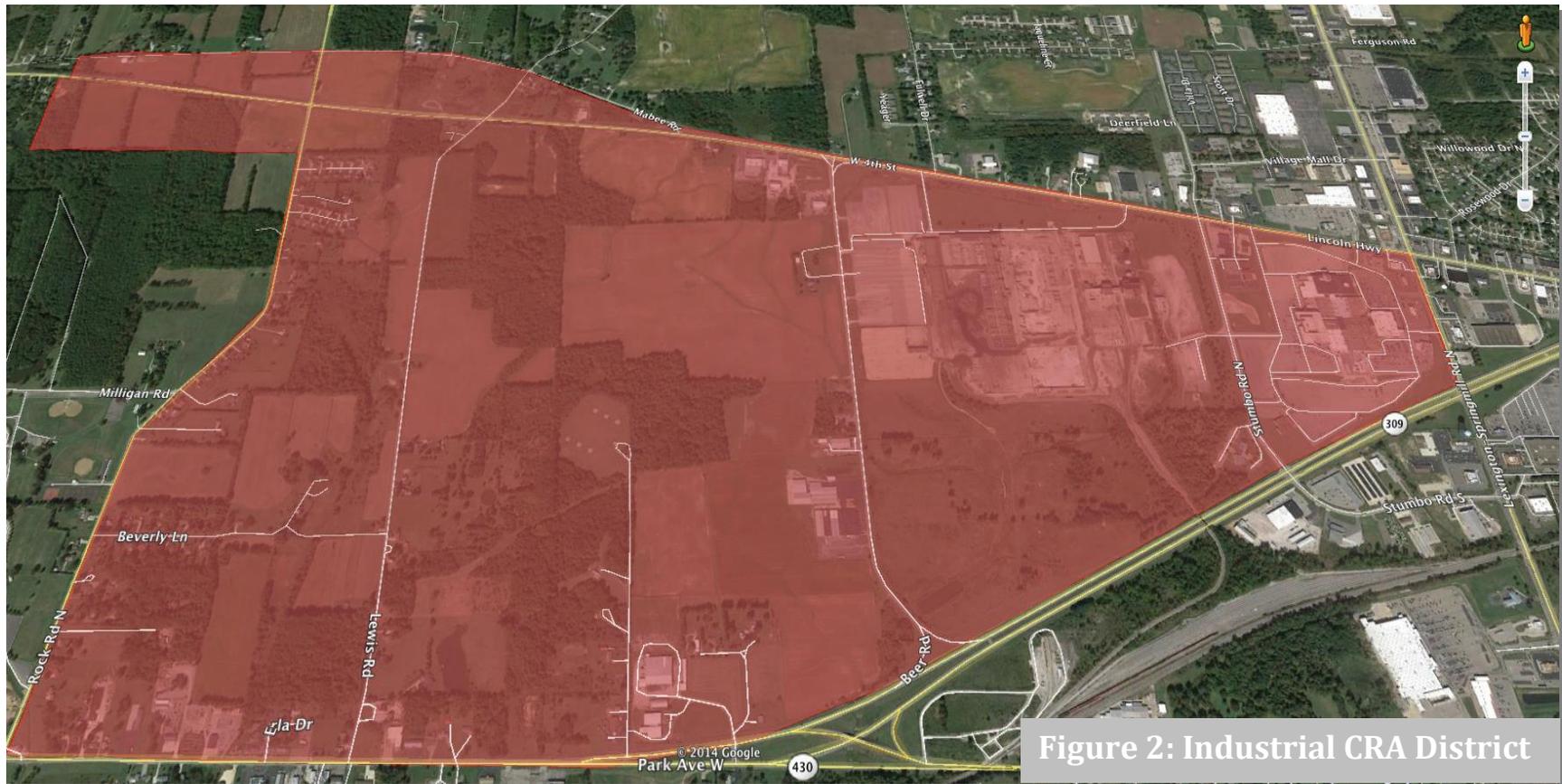


Figure 2: Industrial CRA District

The proposed Industrial Park CRA District contains the following:

- 242 Total Parcels
- 1,256 Total Acres
- 86 Vacant Parcels
- 526 Vacant Acres
- 42% is Vacant Land
- 110 Parcels Zoned Residential
- 35 Parcels Zoned Industrial
- 90 Parcels Zoned Business
- 7 Parcels Zoned Government

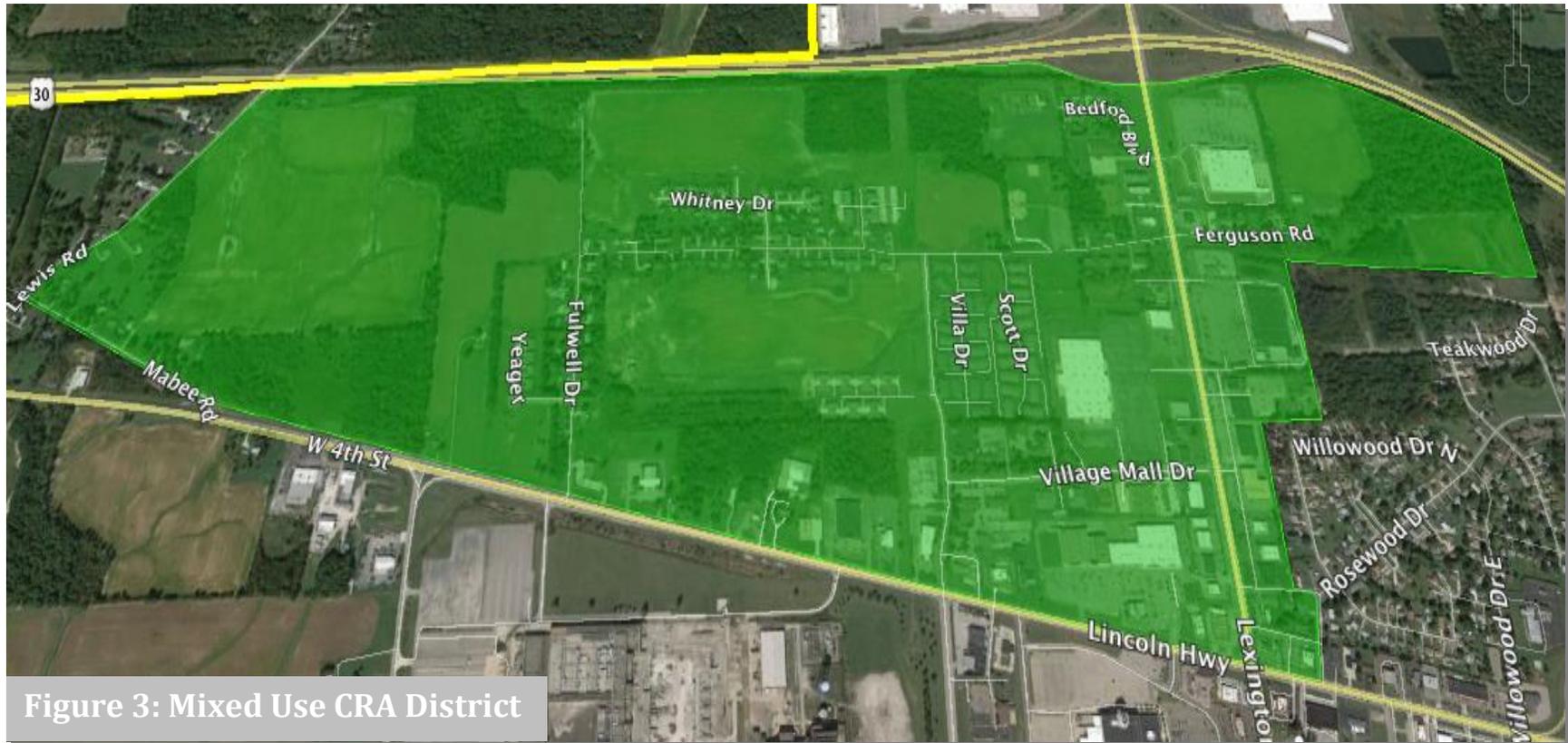


Figure 3: Mixed Use CRA District

The proposed Mixed Use CRA District contains the following:

- 472 Total Parcels
- 1,337 Total Acres
- 90 Vacant Parcels
- 277 Vacant Acres
- 21% is Vacant Land
- 363 Parcels Zoned Residential
- 109 Parcels Zoned Business

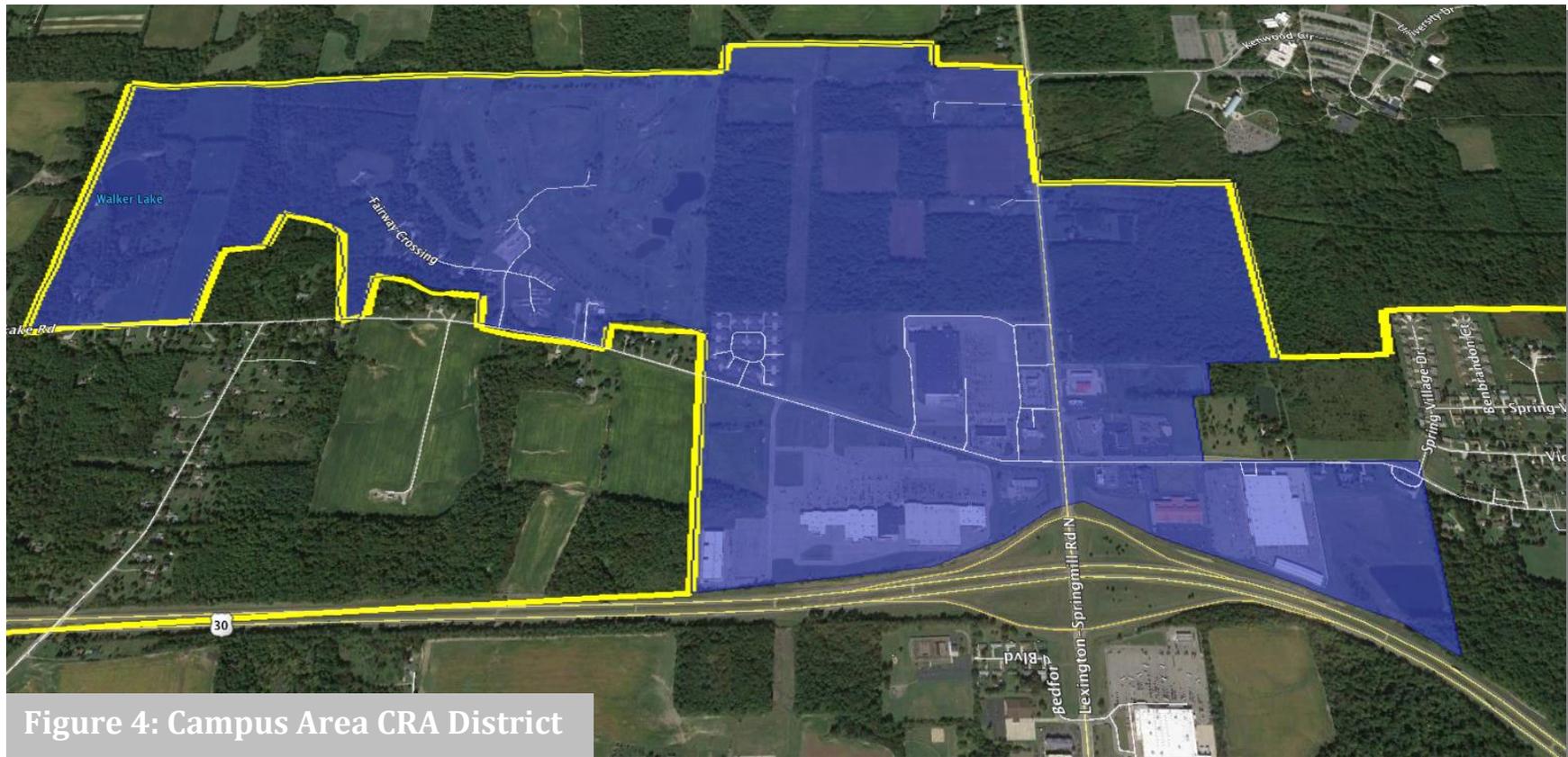


Figure 4: Campus Area CRA District

The proposed Campus Area CRA District contains the following:

- 162 Total Parcels
- 1,530 Total Acres
- 40 Vacant Parcels
- 342 Vacant Acres
- 22% is Vacant Land
- 122 Parcels Zoned Residential
- 40 Parcels Zoned Business

PROGRAM COMPONENTS

After analyzing the information presented within the Data Set, **AJC** recommends that the City of Ontario target the use of CRA Incentives to maximize the potential financial impact of the CRA Program. This CRA Incentive Strategy should include the following program components:

1. The City should use CRA Incentives that compliment the strategies being pursued by JobsOhio and TeamNeo. This would ensure that the City's economic development efforts are coordinated with the region and state. This coordination will result in the City of Ontario reaping the benefits of the administrative capacity of the state and regional marketing programs and economic development strategies.
2. The City should target their CRA Incentives to attract and retain the most attractive industries. This effort will result in a higher return on investment for each CRA Incentive Project, which will help the City of Ontario reach their financial goals.
3. The City should link the terms of the CRA Incentive to the industry. This will encourage the investment by those industries that are preferential and not encourage those industries that don't have a proven high return on investment.
4. The City should link the terms of the CRA Incentive to the specific job creation and capital investment commits for each CRA Project. This strategy would ensure that the City of Ontario only provides a CRA Incentive when necessary to make a project successful.
5. The City should refine and implement a Land Use Strategy for all the proposed CRA Districts. This would allow the City to actively target those developers who can provide the appropriate commercial or residential product being sought after by the City. Lack of a Land Use Strategy would lend itself to a mix and match approach that could detract from the optimal development scenario for each of the CRA Districts.

COMMUNITY REINVESTMENT AREA IMPLEMENTATION

REQUIRED NEXT STEPS

In order to establish a CRA District, the City of Ontario would be required to complete the following next steps:

1. The Mayor and City Council of Ontario should agree to pursue creating a CRA Program.
2. A Housing Survey must be completed for each proposed CRA District.
3. A Resolution must be approved by the Ontario City Council to establish each proposed CRA District as outlined under Ohio Revised Code 3735.66.
4. A Petition for Confirmation must be completed and submitted to the ODSA.
5. Receive a CRA Confirmation Certificate from ODSA.
6. Once the CRA Program has been certified by ODSA, the City of Ontario must create a Tax Incentive Review Council (TIRC). A TIRC is a review body that reviews each CRA Project for compliance on an annual basis.
7. Once the CRA Program has been certified by ODSA, the City of Ontario must create a CRA Housing Council (CRAHC). A CRAHC is a review body that hears any appeals from CRA Projects and visually inspects a CRA Project on an annual basis.

AJC is prepared to assist the City of Ontario in accomplishing all of the required next steps to establish a CRA Program.

EXHIBIT A

3735.65 Community reinvestment area definitions.

As used in sections 3735.65 to [3735.70](#) of the Revised Code:

(A) "Housing officer" means an officer or agency of a municipal corporation or county designated by the legislative authority of the municipal corporation or county, pursuant to section [3735.66](#) of the Revised Code, for each community reinvestment area to administer sections 3735.65 to [3735.69](#) of the Revised Code. One officer or agency may be designated as the housing officer for more than one community reinvestment area.

(B) "Community reinvestment area" means an area within a municipal corporation or unincorporated area of a county for which the legislative authority of the municipal corporation or, for the unincorporated area, of the county, has adopted a resolution under section [3735.66](#) of the Revised Code describing the boundaries of the area and containing a statement of finding that the area included in the description is one in which housing facilities or structures of historical significance are located and new housing construction and repair of existing facilities or structures are discouraged.

(C) "Remodeling" means any change made in a structure for the purpose of making it structurally more sound, more habitable, or for the purpose of improving its appearance.

(D) "Structure of historical or architectural significance" means those designated as such by resolution of the legislative authority of a municipal corporation, for those located in a municipal corporation, or the county, for those located in the unincorporated area of the county based on age, rarity, architectural quality, or because of a previous designation by a historical society, association, or agency.

Cite as R.C. § 3735.65

History. Effective Date: 11-18-1977

3735.66 Resolution describing boundaries of areas and eligibility for tax exemption.

The legislative authorities of municipal corporations and counties may survey the housing within their jurisdictions and, after the survey, may adopt resolutions describing the boundaries of community reinvestment areas which contain the conditions required for the finding under division (B) of section [3735.65](#) of the Revised Code. The findings resulting from the survey shall be incorporated in the resolution describing the boundaries of an area. The legislative authority may stipulate in the resolution that only new structures or remodeling classified as to use as commercial, industrial, or residential, or some combination thereof, and otherwise satisfying the requirements of section [3735.67](#) of the Revised Code are eligible for exemption from taxation under that section. If the resolution does not include such a stipulation, all new structures and remodeling satisfying the requirements of section [3735.67](#) of the Revised Code are eligible for exemption from taxation regardless of classification. Whether or not the resolution includes such a stipulation, the classification of the structures or remodeling eligible for exemption in the area shall at all times be consistent with zoning restrictions applicable to the area. For the purposes of sections [3735.65](#) to [3735.70](#) of the Revised Code, whether a structure or remodeling composed of multiple units is classified as commercial or residential shall be determined by resolution or ordinance of the legislative authority or, in the absence of such a determination, by the classification of the use of the structure or remodeling under the applicable zoning regulations.

If construction or remodeling classified as residential is eligible for exemption from taxation, the resolution shall specify a percentage, not to exceed one hundred per cent, of the assessed valuation of such property to be exempted. The percentage specified shall apply to all residential construction or remodeling for which exemption is granted.

The resolution adopted pursuant to this section shall be published in a newspaper of general circulation in the municipal corporation, if the resolution is adopted by the legislative authority of a municipal corporation, or in a newspaper of general circulation in the county, if the resolution is adopted by the legislative authority of the county, once a week for two consecutive weeks or as provided in section [7.16](#) of the Revised Code, immediately following its adoption.

Each legislative authority adopting a resolution pursuant to this section shall designate a housing officer. In addition, each such legislative authority, not later than fifteen days after the adoption of the resolution, shall petition the director of development for the director to confirm the findings described in the resolution. The petition shall be accompanied by a copy of the resolution and by a map of the community reinvestment area in sufficient detail to denote the specific boundaries of the area and to indicate zoning restrictions applicable to the area. The director shall determine whether the findings contained in the resolution are valid, and whether the classification of structures or remodeling eligible for exemption under the resolution is consistent with zoning restrictions applicable to the area as indicated on the map. Within thirty days of receiving the petition, the director shall forward the director's determination to the legislative authority. The legislative authority or housing officer shall not grant any exemption from taxation under section [3735.67](#) of the Revised Code until the director forwards the director's determination to the legislative authority. The director shall assign to each community reinvestment area a unique designation by which the area shall be identified for purposes of sections [3735.65](#) to [3735.70](#) of the Revised Code.

If zoning restrictions in any part of a community reinvestment area are changed at any time after the legislative authority petitions the director under this section, the legislative authority shall notify the director and shall submit a map of the area indicating the new zoning restrictions in the area.

Cite as R.C. § 3735.66

History. Amended by 129th General Assembly File No.28, HB 153, §101.01, eff. 9/29/2011.

Effective Date: 09-26-2003

3735.67 Applying for exemption from taxation.

(A) The owner of real property located in a community reinvestment area and eligible for exemption from taxation under a resolution adopted pursuant to section [3735.66](#) of the Revised Code may file an application for an exemption from real property taxation of a percentage of the assessed valuation of a new structure or remodeling, completed after the effective date of the resolution adopted pursuant to section [3735.66](#) of the Revised Code, with the housing officer designated pursuant to section [3735.66](#) of the Revised Code for the community reinvestment area in which the property is located. If any part of the new structure or remodeling that would be exempted is of real property to be used for commercial or industrial purposes, the legislative authority and the owner of the property shall enter into a written agreement pursuant to section [3735.671](#) of the Revised Code prior to commencement of construction or remodeling; if such an agreement is subject to approval by the board of education of the school district within the territory of which the property is or will be located, the agreement shall not be formally approved by the legislative authority until the board of education approves the agreement in the manner prescribed by that section.

(B) The housing officer shall verify the construction of the new structure or the cost of the remodeling and the facts asserted in the application. The housing officer shall determine whether the construction or the cost of the remodeling meets the requirements for an exemption under this section. In cases involving a structure of historical or architectural significance, the housing officer shall not determine whether the remodeling meets the requirements for a tax exemption unless the appropriateness of the remodeling has been certified, in writing, by the society, association, agency, or legislative authority that has designated the structure or by any organization or person authorized, in writing, by such society, association, agency, or legislative authority to certify the appropriateness of the remodeling.

(C) If the construction or remodeling meets the requirements for exemption, the housing officer shall forward the application to the county auditor with a certification as to the division of this section under which the exemption is granted, and the period and percentage of the exemption as determined by the legislative authority pursuant to that division. If the construction or remodeling is of commercial or industrial property and the legislative authority is not required to certify a copy of a resolution under section [3735.671](#) of the Revised Code, the housing officer shall comply with the notice requirements prescribed under section [5709.83](#) of the Revised Code, unless the board has adopted a resolution under that section waiving its right to receive such a notice.

(D) Except as provided in division (F) of this section, the tax exemption shall first apply in the year the construction or remodeling would first be taxable but for this section. In the case of remodeling that qualifies for exemption, a percentage, not to exceed one hundred per cent, of the amount by which the remodeling increased the assessed value of the structure shall be exempted from real property taxation. In the case of construction of a structure that qualifies for exemption, a percentage, not to exceed one hundred per cent, of the assessed value of the structure shall be exempted from real property taxation. In either case, the percentage shall be the percentage set forth in the agreement if the structure or remodeling is to be used for commercial or industrial

purposes, or the percentage set forth in the resolution describing the community reinvestment area if the structure or remodeling is to be used for residential purposes.

The construction of new structures and the remodeling of existing structures are hereby declared to be a public purpose for which exemptions from real property taxation may be granted for the following periods:

- (1) For every dwelling containing not more than two family units located within the same community reinvestment area and upon which the cost of remodeling is at least two thousand five hundred dollars, a period to be determined by the legislative authority adopting the resolution describing the community reinvestment area where the dwelling is located, but not exceeding ten years unless extended pursuant to division (D)(3) of this section;
 - (2) For every dwelling containing more than two units and commercial or industrial properties, located within the same community reinvestment area, upon which the cost of remodeling is at least five thousand dollars, a period to be determined by the legislative authority adopting the resolution, but not exceeding twelve years unless extended pursuant to division (D)(3) of this section;
 - (3) The period of exemption for a dwelling described in division (D)(1) or (2) of this section may be extended by a legislative authority for up to an additional ten years if the dwelling is a structure of historical or architectural significance, is a certified historic structure that has been subject to federal tax treatment under 26 U.S.C. 47 and 170(h) , and units within the structure have been leased to individual tenants for five consecutive years;
 - (4) Except as provided in division (F) of this section, for construction of every dwelling, and commercial or industrial structure located within the same community reinvestment area, a period to be determined by the legislative authority adopting the resolution, but not exceeding fifteen years.
- (E) Any person, board, or officer authorized by section [5715.19](#) of the Revised Code to file complaints with the county board of revision may file a complaint with the housing officer challenging the continued exemption of any property granted an exemption under this section. A complaint against exemption shall be filed prior to the thirty-first day of December of the tax year for which taxation of the property is requested. The housing officer shall determine whether the property continues to meet the requirements for exemption and shall certify the housing officer's findings to the complainant. If the housing officer determines that the property does not meet the requirements for exemption, the housing officer shall notify the county auditor, who shall correct the tax list and duplicate accordingly.
- (F) The owner of a dwelling constructed in a community reinvestment area may file an application for an exemption after the year the construction first became subject to taxation. The application shall be processed in accordance with the procedures prescribed under this section and shall be granted if the construction that is the subject of the application otherwise meets the

requirements for an exemption under this section. If approved, the exemption sought in the application first applies in the year the application is filed. An exemption approved pursuant to this division continues only for those years remaining in the period described in division (D)(4) of this section. No exemption may be claimed for any year in that period that precedes the year in which the application is filed.

Cite as R.C. § 3735.67

History. Effective Date: 09-26-2003; 03-30-2006; 2008 HB562 09-22-2008

3735.671 Written agreement where commercial or industrial property is to be exempted.

(A) If construction or remodeling of commercial or industrial property is to be exempted from taxation pursuant to section [3735.67](#) of the Revised Code, the legislative authority and the owner of the property, prior to the commencement of construction or remodeling, shall enter into a written agreement, binding on both parties for a period of time that does not end prior to the end of the period of the exemption, that includes all of the information and statements prescribed by this section. Agreements may include terms not prescribed by this section, but such terms shall in no way derogate from the information and statements prescribed by this section.

(1) Except as otherwise provided in division (A)(2) or (3) of this section, an agreement entered into under this section shall not be approved by the legislative authority unless the board of education of the city, local, or exempted village school district within the territory of which the property is or will be located approves the agreement. For the purpose of obtaining such approval, the legislative authority shall certify a copy of the agreement to the board of education not later than forty-five days prior to approving the agreement, excluding Saturday, Sunday, and a legal holiday as defined in section [1.14](#) of the Revised Code. The board of education, by resolution adopted by a majority of the board, shall approve or disapprove the agreement and certify a copy of the resolution to the legislative authority not later than fourteen days prior to the date stipulated by the legislative authority as the date upon which approval of the agreement is to be formally considered by the legislative authority. The board of education may include in the resolution conditions under which the board would approve the agreement. The legislative authority may approve an agreement at any time after the board of education certifies its resolution approving the agreement to the legislative authority, or, if the board approves the agreement conditionally, at any time after the conditions are agreed to by the board and the legislative authority.

(2) Approval of an agreement by the board of education is not required under division (A)(1) of this section if, for each tax year the real property is exempted from taxation, the sum of the following quantities, as estimated at or prior to the time the agreement is formally approved by the legislative authority, equals or exceeds fifty per cent of the amount of taxes, as estimated at or prior to that time, that would have been charged and payable that year upon the real property had that property not been exempted from taxation:

(a) The amount of taxes charged and payable on any portion of the assessed valuation of the new structure or remodeling that will not be exempted from taxation under the agreement;

(b) The amount of taxes charged and payable on tangible personal property located on the premises of the new structure or of the structure to be remodeled under the agreement, whether payable by the owner of the structure or by a related member, as defined in section [5733.042](#) of the Revised Code without regard to division (B) of that section.

(c) The amount of any cash payment by the owner of the new structure or structure to be remodeled to the school district, the dollar value, as mutually agreed to by the owner and the board of education, of any property or services provided by the owner of the property to the school district, whether by gift, loan, or otherwise, and any payment by the legislative authority to the school district pursuant to section [5709.82](#) of the Revised Code.

The estimates of quantities used for purposes of division (A)(2) of this section shall be estimated by the legislative authority. The legislative authority shall certify to the board of education that the estimates have been made in good faith. Departures of the actual quantities from the estimates subsequent to approval of the agreement by the board of education do not invalidate the agreement.

(3) If a board of education has adopted a resolution waiving its right to approve agreements and the resolution remains in effect, approval of an agreement by the board is not required under this division. If a board of education has adopted a resolution allowing a legislative authority to deliver the notice required under this division fewer than forty-five business days prior to the legislative authority's execution of the agreement, the legislative authority shall deliver the notice to the board not later than the number of days prior to such execution as prescribed by the board in its resolution. If a board of education adopts a resolution waiving its right to approve agreements or shortening the notification period, the board shall certify a copy of the resolution to the legislative authority. If the board of education rescinds such a resolution, it shall certify notice of the rescission to the legislative authority.

(B) Each agreement shall include the following information:

(1) The names of all parties to the agreement;

(2) A description of the remodeling or construction, whether or not to be exempted from taxation, including existing or new structure size and cost thereof; the value of machinery, equipment, furniture, and fixtures, including an itemization of the value of machinery, equipment, furniture, and fixtures used at another location in this state prior to the agreement and relocated or to be relocated from that location to the property, and the value of machinery, equipment, furniture, and fixtures at the facility prior to the execution of the agreement; the value of inventory at the property, including an itemization of the value of inventory held at another location in this state prior to the agreement and relocated or to be relocated from that location to the property, and the value of inventory held at the property prior to the execution of the agreement;

(3) The scheduled starting and completion dates of remodeling or construction of real property or of investments made in machinery, equipment, furniture, fixtures, and inventory;

(4) Estimates of the number of employee positions to be created each year of the agreement and of the number of employee positions retained by the owner due to the

remodeling or construction, itemized as to the number of full-time, part-time, permanent, and temporary positions;

(5) Estimates of the dollar amount of payroll attributable to the positions set forth in division (B)(4) of this section, similarly itemized;

(6) The number of employee positions, if any, at the property and at any other location in this state at the time the agreement is executed, itemized as to the number of full-time, part-time, permanent, and temporary positions.

(C) Each agreement shall set forth the following information and incorporate the following statements:

(1) A description of real property to be exempted from taxation under the agreement, the percentage of the assessed valuation of the real property exempted from taxation, and the period for which the exemption is granted, accompanied by the statement: "The exemption commences the first year for which the real property would first be taxable were that property not exempted from taxation. No exemption shall commence after (insert date) nor extend beyond (insert date)."

(2) "..... (insert name of owner) shall pay such real property taxes as are not exempted under this agreement and are charged against such property and shall file all tax reports and returns as required by law. If (insert name of owner) fails to pay such taxes or file such returns and reports, exemptions from taxation granted under this agreement are rescinded beginning with the year for which such taxes are charged or such reports or returns are required to be filed and thereafter."

(3) "..... (insert name of owner) hereby certifies that at the time this agreement is executed, (insert name of owner) does not owe any delinquent real or tangible personal property taxes to any taxing authority of the State of Ohio, and does not owe delinquent taxes for which (insert name of owner) is liable under Chapter 5733., 5735., 5739., 5741., 5743., 5747., or 5753. of the Ohio Revised Code, or, if such delinquent taxes are owed, (insert name of owner) currently is paying the delinquent taxes pursuant to an undertaking enforceable by the State of Ohio or an agent or instrumentality thereof, has filed a petition in bankruptcy under 11 U.S.C.A. 101 , et seq., or such a petition has been filed against (insert name of owner). For the purposes of this certification, delinquent taxes are taxes that remain unpaid on the latest day prescribed for payment without penalty under the chapter of the Revised Code governing payment of those taxes."

(4) "..... (insert name of municipal corporation or county) shall perform such acts as are reasonably necessary or appropriate to effect, claim, reserve, and maintain exemptions from taxation granted under this agreement including, without limitation, joining in the execution of all documentation and providing any necessary certificates required in connection with such exemptions."

(5) "If for any reason (insert name of municipal corporation or county) revokes the designation of the area, entitlements granted under this agreement shall continue for the number of years specified under this agreement, unless (insert name of owner) materially fails to fulfill its obligations under this agreement and (insert name of municipal corporation or county) terminates or modifies the exemptions from taxation pursuant to this agreement."

(6) "If (insert name of owner) materially fails to fulfill its obligations under this agreement, or if (insert name of municipal corporation or county) determines that the certification as to delinquent taxes required by this agreement is fraudulent, (insert name of municipal corporation or county) may terminate or modify the exemptions from taxation granted under this agreement."

(7) "..... (insert name of owner) shall provide to the proper tax incentive review council any information reasonably required by the council to evaluate the applicant's compliance with the agreement, including returns filed pursuant to section [5711.02](#) of the Ohio Revised Code if requested by the council."

(8) "This agreement is not transferable or assignable without the express, written approval of (insert name of municipal corporation or county)."

(9) "Exemptions from taxation granted under this agreement shall be revoked if it is determined that (insert name of owner), any successor to that person, or any related member (as those terms are defined in division (E) of section 3735.671 of the Ohio Revised Code) has violated the prohibition against entering into this agreement under division (E) of section 3735.671 or section [5709.62](#) or [5709.63](#) of the Ohio Revised Code prior to the time prescribed by that division or either of those sections."

(10) "..... (insert name of owner) and (insert name of municipal corporation or county) acknowledge that this agreement must be approved by formal action of the legislative authority of (insert name of municipal corporation or county) as a condition for the agreement to take effect. This agreement takes effect upon such approval."

The statement described in division (C)(6) of this section may include the following statement, appended at the end of the statement: ", and may require the repayment of the amount of taxes that would have been payable had the property not been exempted from taxation under this agreement." If the agreement includes a statement requiring repayment of exempted taxes, it also may authorize the legislative authority to secure repayment of such taxes by a lien on the exempted property in the amount required to be repaid. Such a lien shall attach, and may be perfected, collected, and enforced, in the same manner as a mortgage lien on real property, and shall otherwise have the same force and effect as a mortgage lien on real property.

(D) Except as otherwise provided in this division, an agreement entered into under this section shall require that the owner pay an annual fee equal to the greater of one per cent of the amount

of taxes exempted under the agreement or five hundred dollars; provided, however, that if the value of the incentives exceeds two hundred fifty thousand dollars, the fee shall not exceed two thousand five hundred dollars. The fee shall be payable to the legislative authority once per year for each year the agreement is effective on the days and in the form specified in the agreement. Fees paid shall be deposited in a special fund created for such purpose by the legislative authority and shall be used by the legislative authority exclusively for the purpose of complying with section [3735.672](#) of the Revised Code and by the tax incentive review council created under section [5709.85](#) of the Revised Code exclusively for the purposes of performing the duties prescribed under that section. The legislative authority may waive or reduce the amount of the fee, but such waiver or reduction does not affect the obligations of the legislative authority or the tax incentive review council to comply with section [3735.672](#) or [5709.85](#) of the Revised Code.

(E) If any person that is party to an agreement granting an exemption from taxation discontinues operations at the structure to which that exemption applies prior to the expiration of the term of the agreement, that person, any successor to that person, and any related member shall not enter into an agreement under this section or section [5709.62](#) , [5709.63](#) , or [5709.632](#) of the Revised Code, and no legislative authority shall enter into such an agreement with such a person, successor, or related member, prior to the expiration of five years after the discontinuation of operations. As used in this division, "successor" means a person to which the assets or equity of another person has been transferred, which transfer resulted in the full or partial nonrecognition of gain or loss, or resulted in a carryover basis, both as determined by rule adopted by the tax commissioner. "Related member" has the same meaning as defined in section [5733.042](#) of the Revised Code without regard to division (B) of that section.

The director of development shall review all agreements submitted to the director under division (F) of this section for the purpose of enforcing this division. If the director determines there has been a violation of this division, the director shall notify the legislative authority of such violation, and the legislative authority immediately shall revoke the exemption granted under the agreement.

(F) When an agreement is entered into under this section, the legislative authority authorizing the agreement shall forward a copy of the agreement to the director of development within fifteen days after the agreement is entered into.

Cite as R.C. § 3735.671

3735.672 Annual report.

(A) On or before the thirty-first day of March each year, a legislative authority that has entered into an agreement with a party under section [3735.671](#) of the Revised Code shall submit to the director of development services and the board of education of each school district of which a municipal corporation or township to which such an agreement applies is a part a report on all such agreements in effect during the preceding calendar year. The report shall include the following information:

- (1) The designation, assigned by the director of development services, of each community reinvestment area within the municipal corporation or county, and the total population of each area according to the most recent data available;
- (2) The number of agreements and the number of full-time employees subject to those agreements within each area, each according to the most recent data available and identified and categorized by the appropriate standard industrial code, and the rate of unemployment in the municipal corporation or county in which the area is located for each year since the area was certified;
- (3) The number of agreements approved and executed during the calendar year for which the report is submitted, the total number of agreements in effect on the thirty-first day of December of the preceding calendar year, the number of agreements that expired during the calendar year for which the report is submitted, and the number of agreements scheduled to expire during the calendar year in which the report is submitted. For each agreement that expired during the calendar year for which the report is submitted, the legislative authority shall include the amount of taxes exempted under the agreement.
- (4) The number of agreements receiving compliance reviews by the tax incentive review council in the municipal corporation or county during the calendar year for which the report is submitted, including all of the following information:
 - (a) The number of agreements the terms of which the party has complied with, indicating separately for each such agreement the value of the real property exempted pursuant to the agreement and a comparison of the stipulated and actual schedules for hiring new employees, for retaining existing employees, and for the amount of payroll of the party attributable to these employees;
 - (b) The number of agreements the terms of which a party has failed to comply with, indicating separately for each such agreement the value of the real and personal property exempted pursuant to the agreement and a comparison of the stipulated and actual schedules for hiring new employees, for retaining existing employees, and for the amount of payroll of the enterprise attributable to these employees;

(c) The number of agreements about which the tax incentive review council made recommendations to the legislative authority, and the number of such recommendations that have not been followed;

(d) The number of agreements rescinded during the calendar year for which the report is submitted.

(5) The number of parties subject to agreements that expanded within each area, including the number of new employees hired and existing employees retained by that party, and the number of new parties subject to agreements that established within each area, including the number of new employees hired by each party;

(6) For each agreement in effect during any part of the preceding year, the number of employees employed by the party at the property that is the subject of the agreement immediately prior to formal approval of the agreement, the number of employees employed by the party at that property on the thirty-first day of December of the preceding year, the payroll of the party for the preceding year, the amount of taxes paid on real property that was exempted under the agreement, and the amount of such taxes that were not paid because of the exemption.

(B) Upon the failure of a municipal corporation or county to comply with division (A) of this section:

(1) Beginning on the first day of April of the calendar year in which the municipal corporation or county fails to comply with that division, the municipal corporation or county shall not enter into any agreements under section [3735.671](#) of the Revised Code until the municipal corporation or county has complied with division (A) of this section.

(2) On the first day of each ensuing calendar month until the municipal corporation or county complies with that division, the director of development services shall either order the proper county auditor to deduct from the next succeeding payment of taxes to the municipal corporation or county under section [321.31](#) , [321.32](#) , [321.33](#) , or [321.34](#) of the Revised Code an amount equal to five hundred dollars for each calendar month the municipal corporation or county fails to comply with that division, or order the county auditor to deduct such an amount from the next succeeding payment to the municipal corporation or county from the undivided local government fund under section [5747.51](#) of the Revised Code. At the time such a payment is made, the county auditor shall comply with the director's order by issuing a warrant, drawn on the fund from which such money would have been paid, to the director of development services, who shall deposit the warrant into the state community reinvestment area program administration fund created in division (C) of this section.

(C) The director, by rule, shall establish the state's application fee for applications submitted to a municipal corporation or county to enter into an agreement under section [3735.671](#) of the Revised Code. In establishing the amount of the fee, the director shall consider the state's cost of administering the community reinvestment area program,

including the cost of reviewing the reports required under division (A) of this section. The director may change the amount of the fee at such times and in such increments as the director considers necessary. Any municipal corporation or county that receives an application shall collect the application fee and remit the fee for deposit in the state treasury to the credit of the business assistance fund created in section [122.174](#) of the Revised Code.

Cite as R.C. § 3735.672

History. Amended by 129th General Assembly File No.129, SB 314, §1, eff. 9/28/2012.

Effective Date: 07-22-1994; 2007 HB119 06-30-2007

3735.673 Notice to legislative authority.

If a person operating in a county or municipal corporation in this state intends to relocate or relocates part or all of its operations to another county or municipal corporation in this state and has entered into or intends to enter into an agreement under section [3735.671](#) of the Revised Code with that county or municipal corporation, the legislative authority or an officer of the county or municipal corporation to which that person intends to relocate or relocates shall serve the legislative authority of the county or municipal corporation from which that person intends to relocate or relocates with notice of the person's intention to relocate, accompanied by a copy of the agreement to be entered into or entered into pursuant to section [3735.671](#) of the Revised Code and a statement of the person's reasons for relocation. The legislative authority or officer also shall serve such notice on the director of development. In both cases, service shall be by personal service or certified mail, return receipt requested, not later than thirty days prior to the day of the first public meeting at which the agreement is deliberated by the legislative authority of the county or municipal corporation to which the person intends to relocate or relocates. With the approval of the director of development, service shall be not later than fifteen days prior to the day of the first public meeting of the legislative authority at which the agreement is deliberated. The legislative authority or officer required to serve notice shall seek such approval by applying to the director at the earliest possible time prior to that meeting. The director may approve the later service if the director determines that earlier notice is not possible or would be likely to jeopardize realization of the project. If approval for a later notice is applied for, the legislative authority or officer need not serve notice to the director as otherwise required by this section.

If the legislative authority or officer required to serve such notice fails to do so as prescribed by this section, the legislative authority shall not enter into an agreement under that section with that person.

This section applies only to relocations of operations that result or would result in the reduction of employment or the cessation of operations at a place of business in this state.

Cite as R.C. § 3735.673

History. Effective Date: 07-22-1994

3735.68 Revoking tax exemption.

The housing officer shall make annual inspections of the properties within the community reinvestment area upon which are located structures or remodeling for which an exemption has been granted under section [3735.67](#) of the Revised Code. If the housing officer finds that the property has not been properly maintained or repaired due to the neglect of the owner, the housing officer may revoke the exemption at any time after the first year of exemption. If the owner of commercial or industrial property exempted from taxation under section [3735.67](#) of the Revised Code has materially failed to fulfill its obligations under the written agreement entered into under section [3735.671](#) of the Revised Code, or if the owner is determined to have violated division (E) of that section, the legislative authority, subject to the terms of the agreement, may revoke the exemption at any time after the first year of exemption. The housing officer or legislative authority shall notify the county auditor and the owner of the property that the tax exemption no longer applies. If the housing officer or legislative authority revokes a tax exemption, the housing officer shall send a report of the revocation to the community reinvestment area housing council and to the tax incentive review council established pursuant to section [3735.69](#) or [5709.85](#) of the Revised Code, containing a statement of the findings as to the maintenance and repair of the property, failure to fulfill obligations under the written agreement, or violation of division (E) of section [3735.671](#) of the Revised Code, and the reason for revoking the exemption.

If the agreement entered into under section [3735.671](#) of the Revised Code so provides, the legislative authority of a municipal corporation or county may require the owner of property whose exemption has been revoked to reimburse the taxing authorities within whose taxing jurisdiction the exempted property is located for the amount of real property taxes that would have been payable to those authorities had the property not been exempted from taxation.

Cite as R.C. § 3735.68

History. Effective Date: 07-22-1994

3735.69 Community reinvestment area housing council - powers and duties.

(A) A community reinvestment area housing council shall be appointed for each community reinvestment area. When the area is located within a municipal corporation, the council shall be composed of two members appointed by the mayor of the municipal corporation, two members appointed by the legislative authority of the municipal corporation, and one member appointed by the planning commission of the municipal corporation. The majority of the foregoing members shall then appoint two additional members who shall be residents of the political subdivision. When the area is located within an unincorporated area of a county, the council shall be composed of one member appointed by each member of the board of county commissioners of the county where the area is located and two members appointed by the county planning commission. The majority of the foregoing members shall then appoint two additional members who shall be residents of the political subdivision. Terms of the members of the council shall be for three years. An unexpired term resulting from a vacancy in the council shall be filled in the same manner as the initial appointment was made.

The council shall make an annual inspection of the properties within the community reinvestment area for which an exemption has been granted under section [3735.67](#) of the Revised Code. The council shall also hear appeals under section [3735.70](#) of the Revised Code.

(B) On or before the thirty-first day of March each year, any municipal corporation or county that has created a community reinvestment area under section [3735.66](#) of the Revised Code shall submit to the director of development a status report summarizing the activities and projects for which an exemption has been granted in that area.

Cite as R.C. § 3735.69

History. Effective Date: 01-13-1993

3735.70 Appeals.

Any person aggrieved under sections [3735.65](#) to [3735.69](#) of the Revised Code may appeal to the community reinvestment area housing council, which shall have the authority to overrule any decision of a housing officer. Appeals may be taken from a decision of the council to the court of common pleas of the county where the area is located.

Cite as R.C. § 3735.70

History. Effective Date: 11-18-1977