

Community Reinvestment Area Incentive Strategy

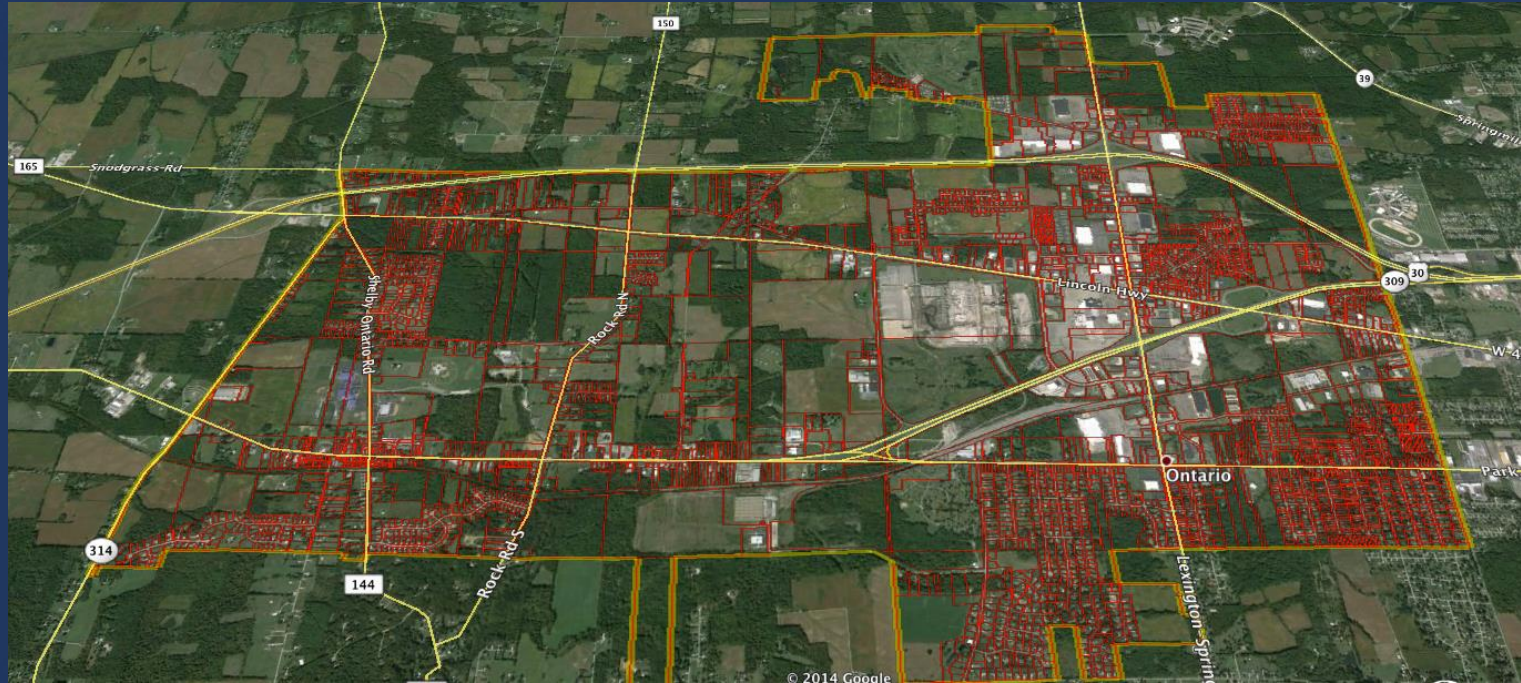
**Provided to
Ontario City Council**

**Provided by
Anthony Jones Consulting**

February 25, 2015

Presentation Outline

- Project Scope
- CRA Defined
- CRA Analysis
- Recommendation
- Implementation



Project Scope

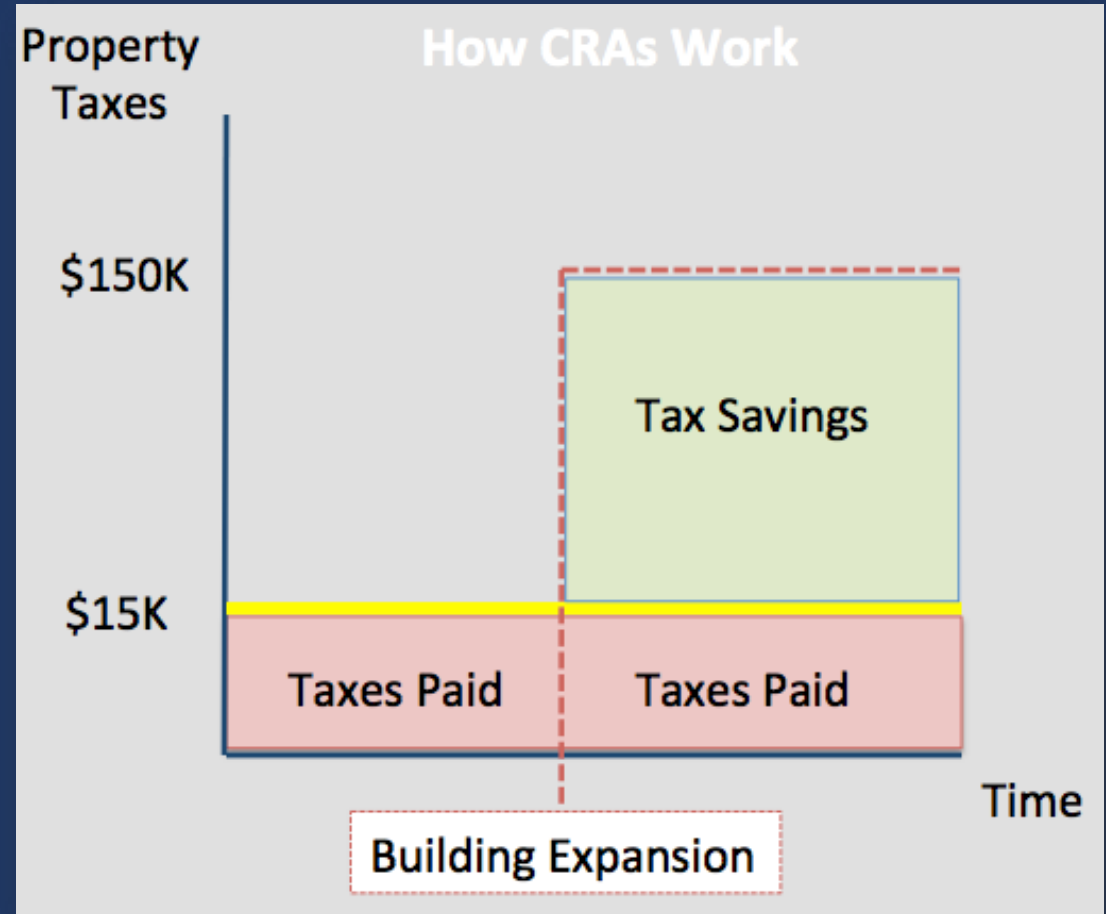
- What is a CRA Program?
- Can Ontario create a CRA Program?
- Should Ontario create a CRA Program?
- How would Ontario create a CRA Program?

CRA Defined

- CRA Programs are governed by Ohio Revised Code
 - (3735.65-3735.7)
- Created to promote revitalization in depressed areas
- Provides property tax exemptions for any increased property valuation from renovations or new construction

How a CRA Tax Abatement Works

- 10,000 square foot commercial building
 - \$15,000 annual Property Tax Liability
- Business wants to add jobs and expand their facility to 100,000 square feet
- New Property Tax Liability of expanded facility would be \$150,000 annually
- A City provides Business with a 100% CRA Incentive for the project
- Property Tax Liability on expanded facility with CRA Incentive is only \$15,000



Can Ontario Create a CRA Program? **YES**

Requirements to Create CRA Program

1. CRA District land must be within a City
2. Pass a Resolution according to ORC 3735.66
3. Create geographical boundary of CRA District
4. Complete a Housing Survey with a “Statement of Finding”
5. Publish the Resolution in newspaper after passage
6. Complete CRA Petition for Confirmation
7. Receive CRA Confirmation Certificate from the state

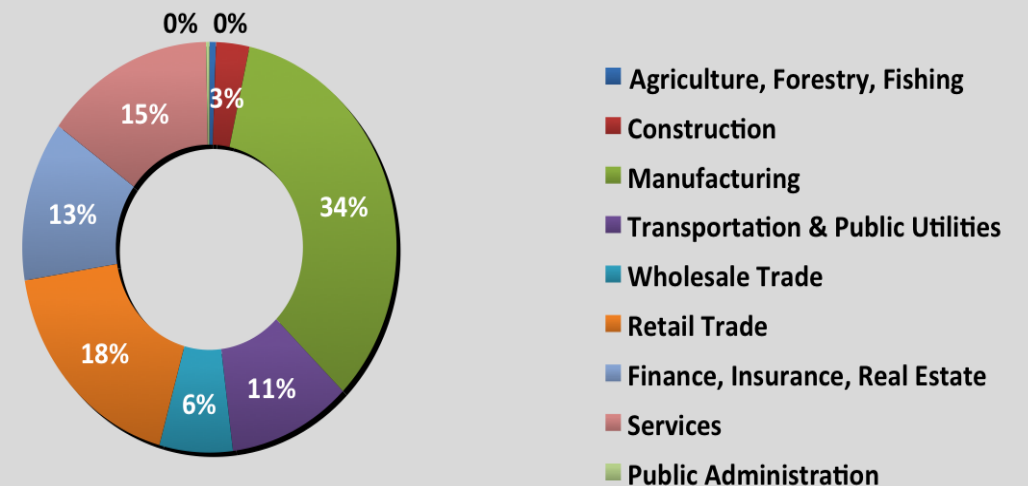
Status of CRA Program in Ontario

1. **Proposed CRA Districts are within City Limits**
2. Resolution not passed by City Council
3. **Draft CRA District boundaries identified**
4. Housing Survey not complete
5. Resolution not published in newspaper
6. CRA Petition for Confirmation not complete
7. CRA Confirmation Certificate not received

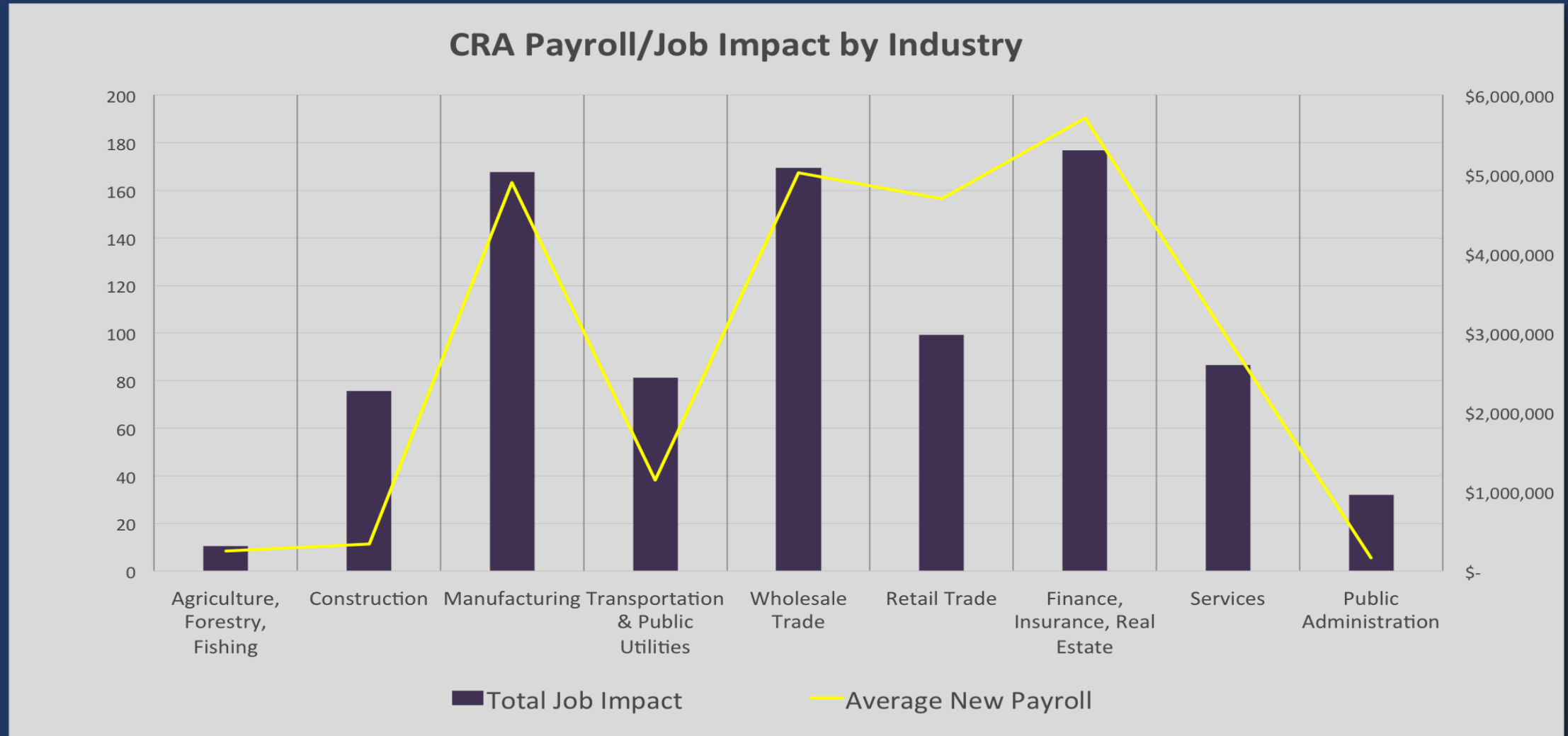
CRA Analysis

- 673 CRA Projects analyzed
- Project data includes:
 - Location
 - Standard Industrial Classification (SIC)
 - Job Creation / Job Retention
 - Payroll Creation
 - Capital Investment
 - Incentive Terms

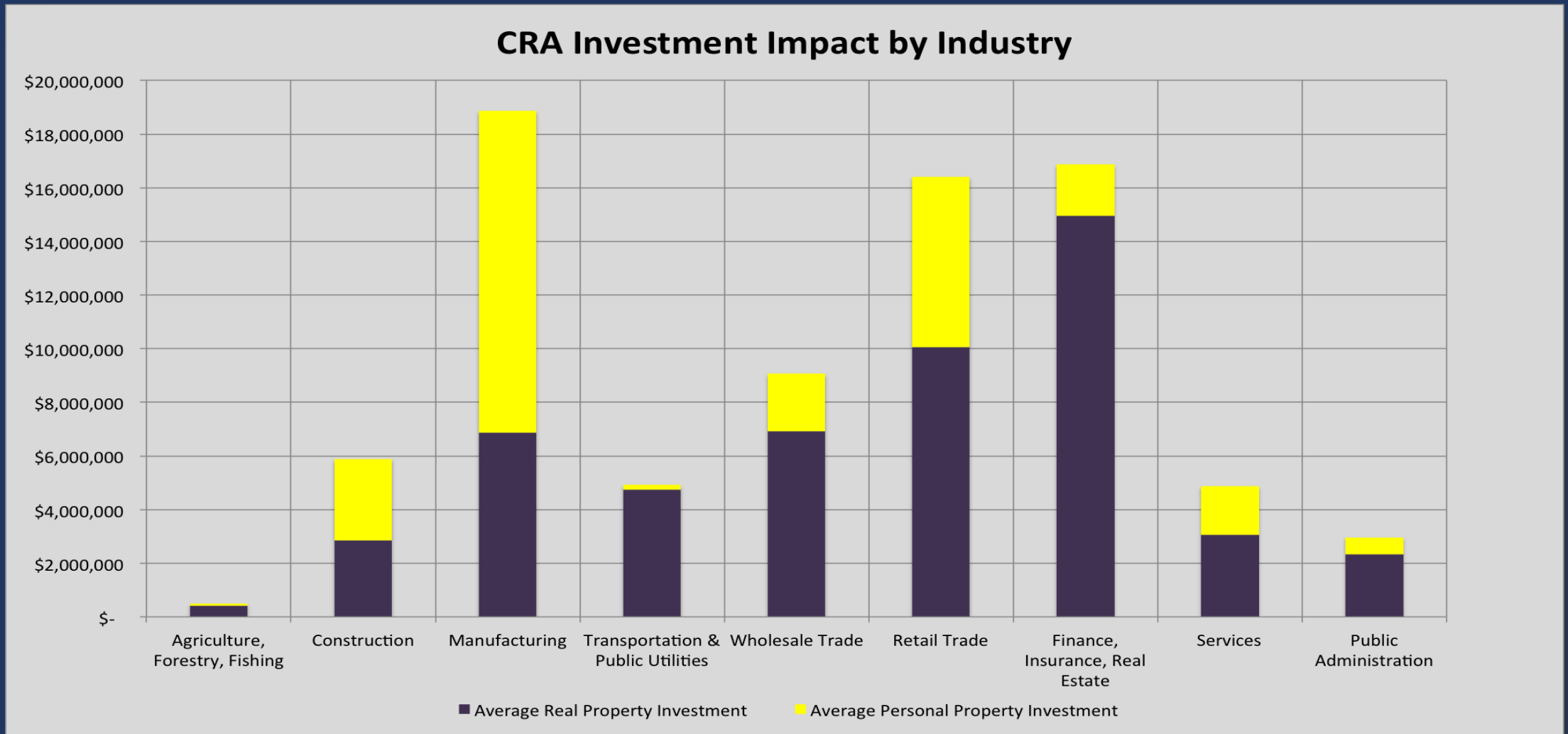
Chart 1: SIC Breakdown



CRA Industry Analysis

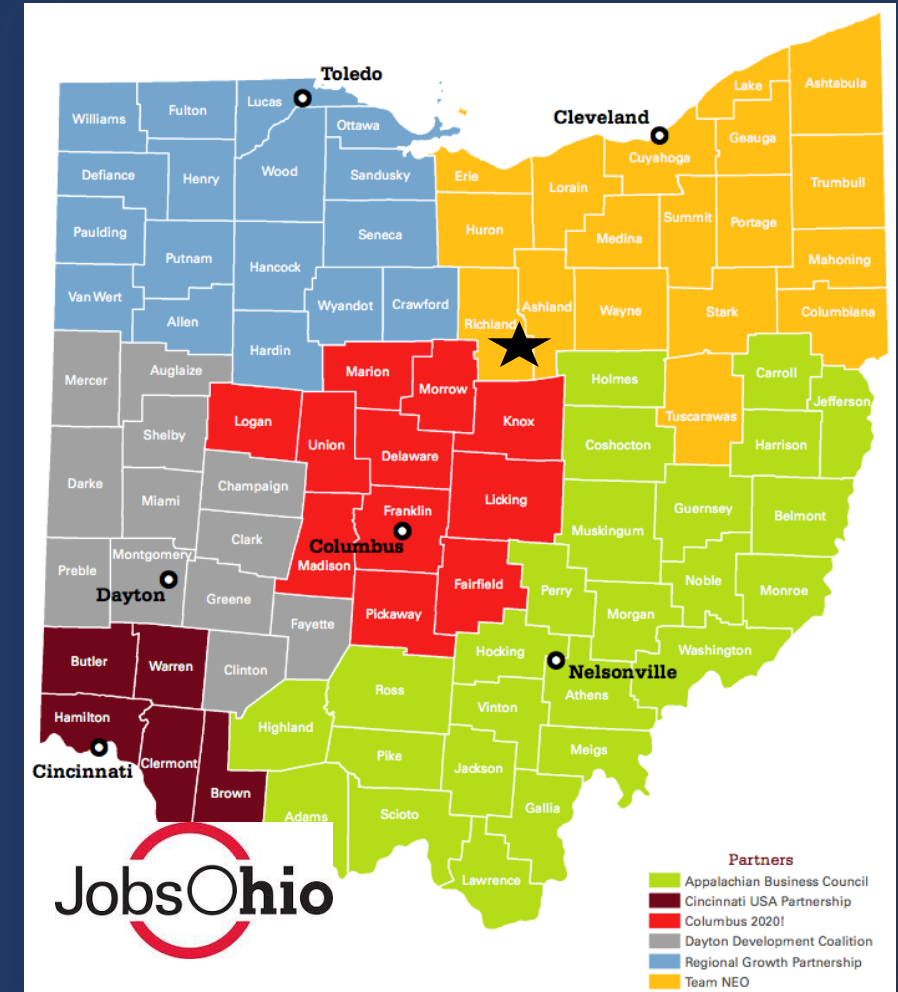


CRA Industry Analysis

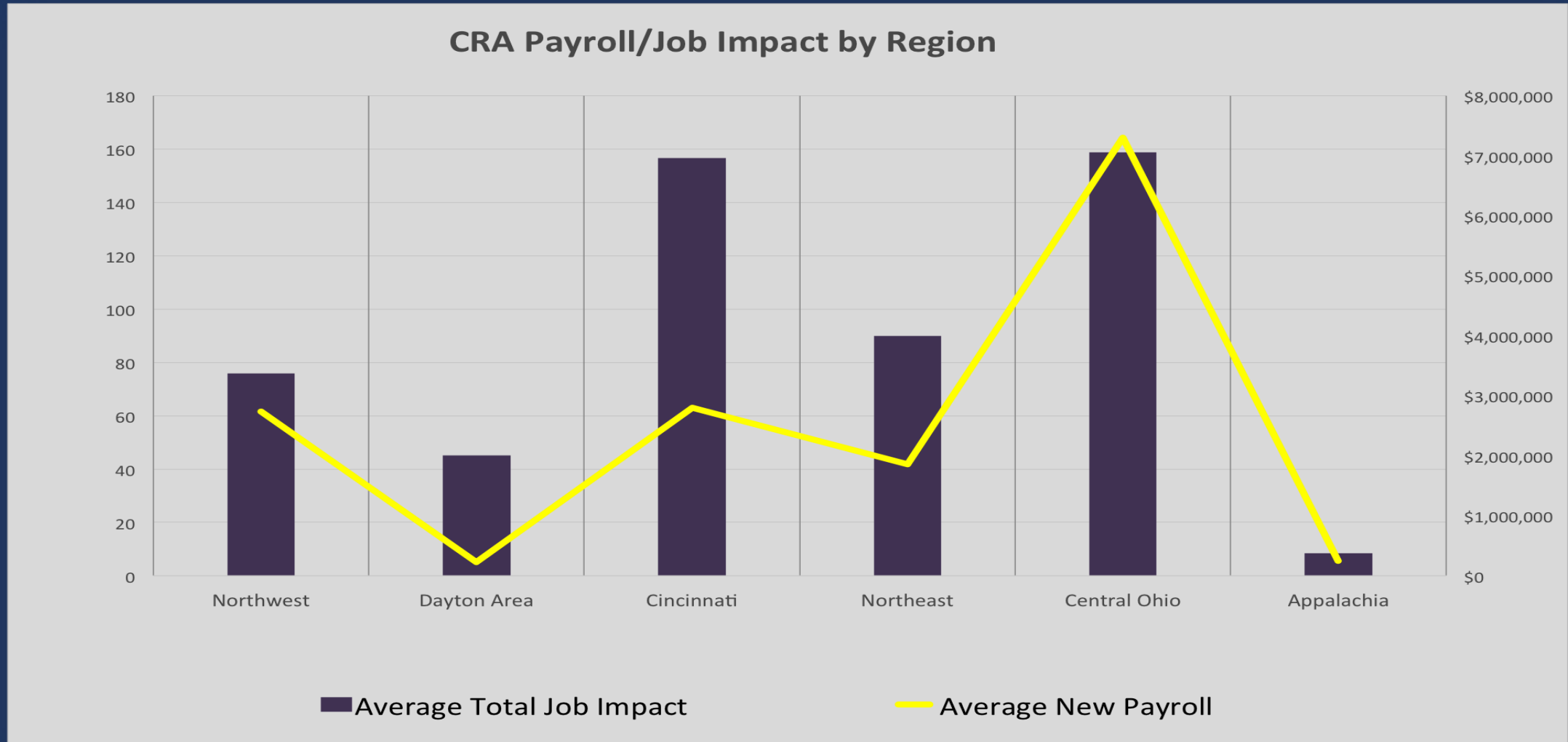


CRA Regional Analysis

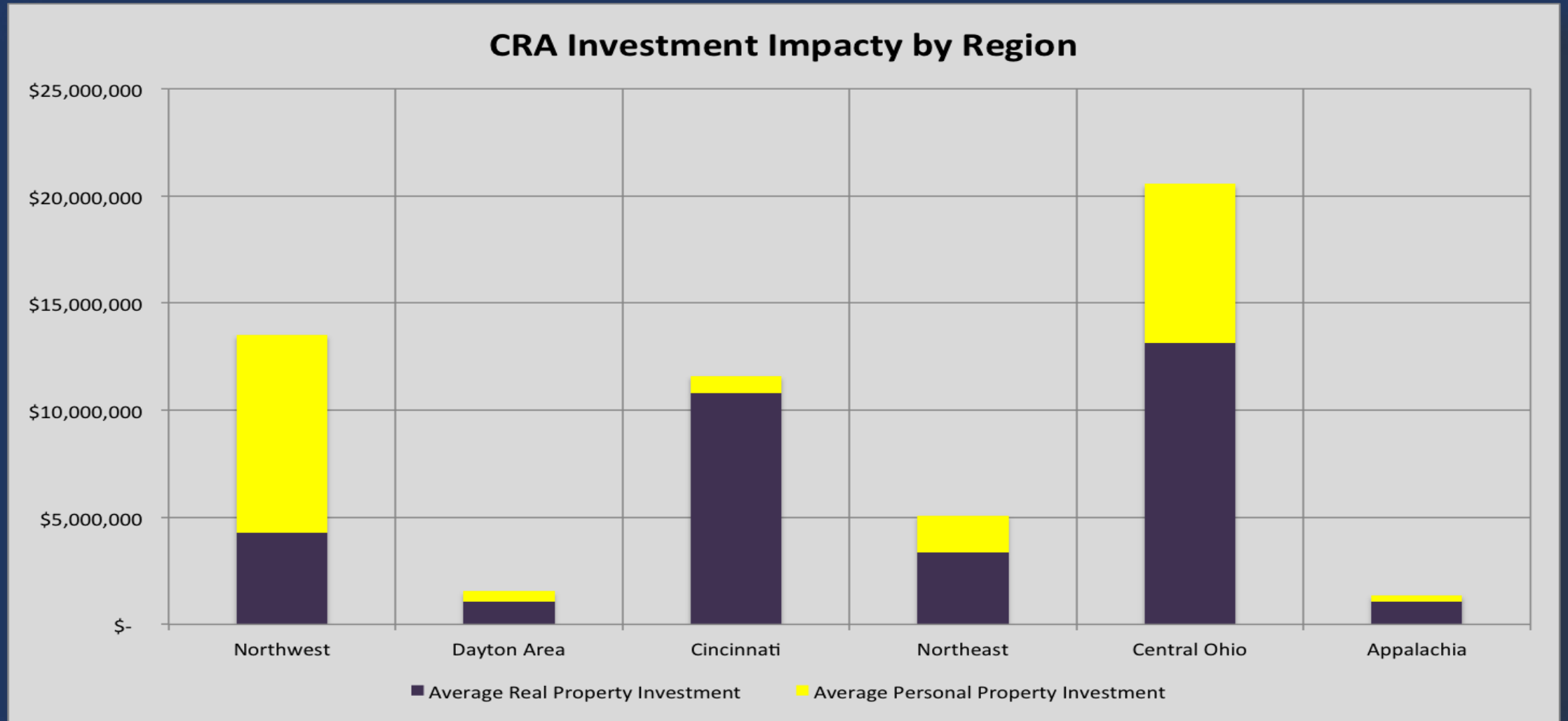
- Richland County
 - Mansfield and Shelby
- Huron County
 - Norwalk and Willard
- Ashland County
 - Ashland, Bailey Lakes and Montgomery Township
- Crawford County
 - Bucyrus, Crestline and Galion
- Morrow County
 - Bennington, Cardington, Mount Gilead
- Knox County
 - Mount Vernon



CRA Regional Analysis



CRA Regional Analysis



Should Ontario Create a CRA?

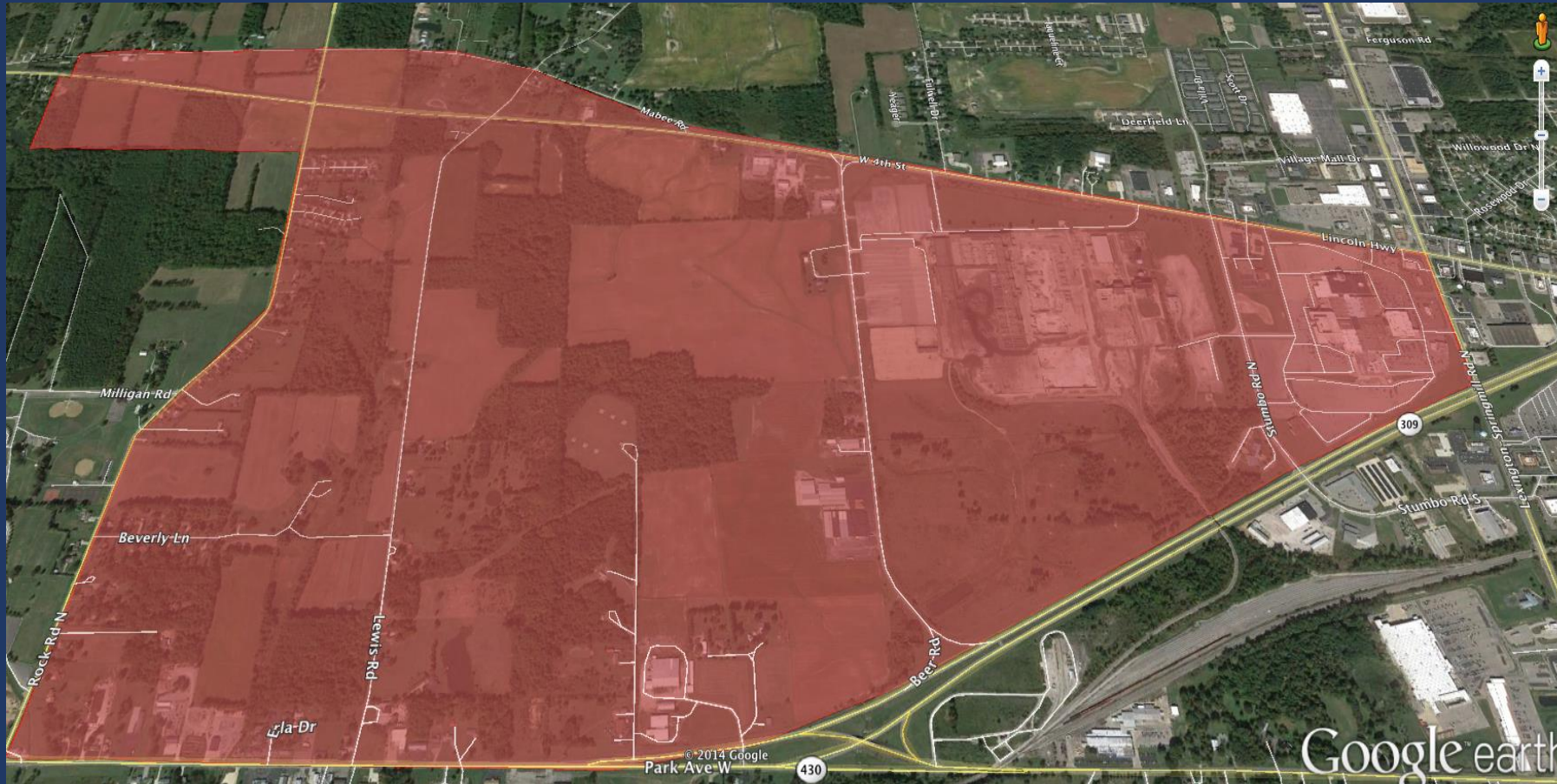
YES

- Authorized by Ohio to establish a CRA Program
- Disadvantaged compared to other cities with CRA Program
- Increase the economic development toolkit
- Improve competitive position in attracting investment and jobs
- CRA Program has demonstrated tangible results for cities in Ohio

Recommendation

- Propose 2 CRA Districts
 - Industrial Park
 - Mixed Use
- Target Industries that have the greatest return on investment
- Align CRA Program with regional goals for leverage
- Establish Development Strategies for each CRA District

Industrial CRA District



District Data

242 Parcels

86 Vacant Parcels

1,256 Acres

526 Vacant acres

Parcel Zoning

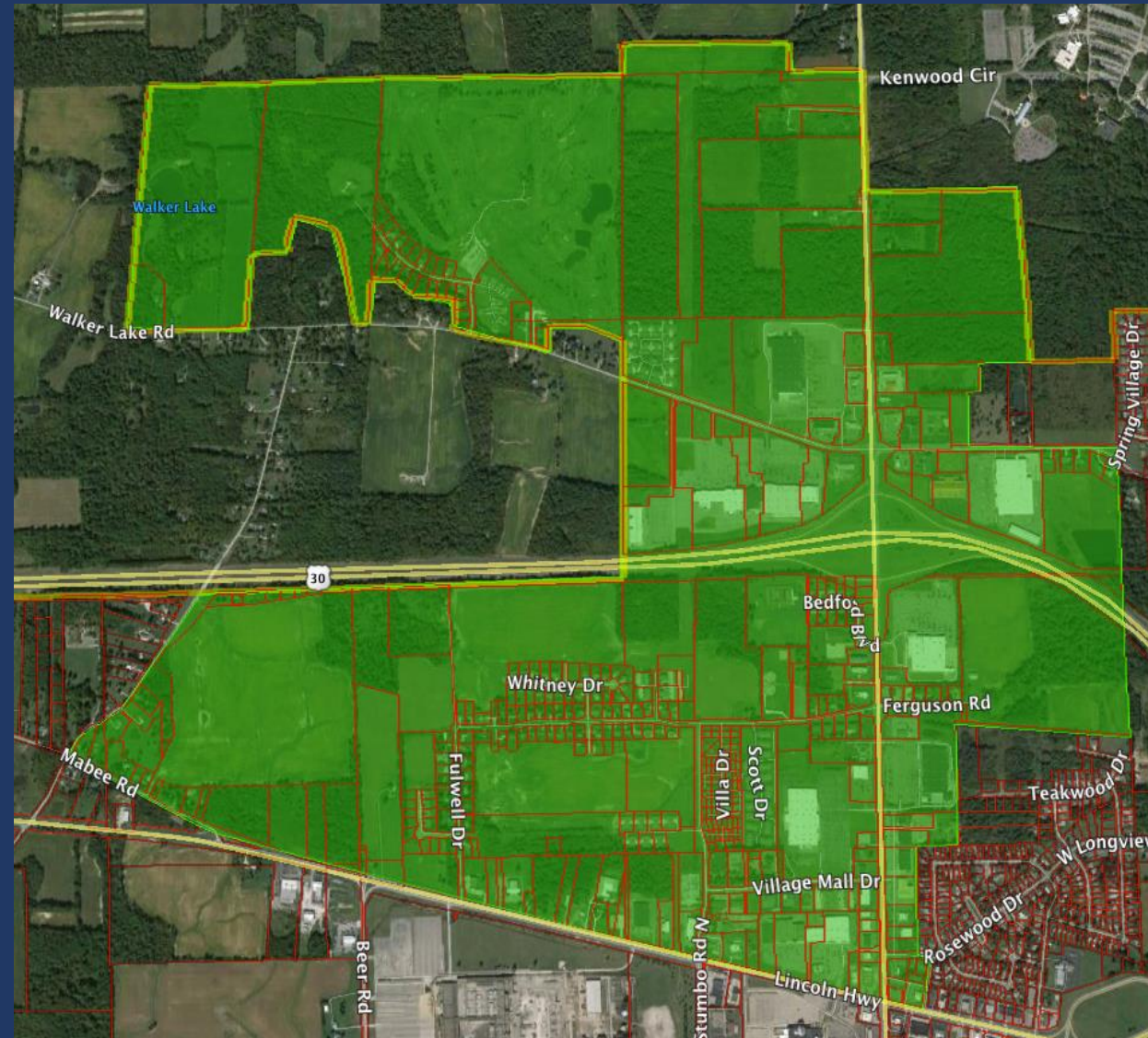
110 Residential

35 Industrial

90 Business

7 Government

Mixed Use CRA District



District Data

634 Parcels
130 Vacant Parcels
2,867 Acres
619 Vacant acres

Parcel Zoning
485 Residential
149 Business

Establish a CRA Program

1. Agree to Pursue a CRA Incentive Strategy
2. Complete Housing Surveys
3. Draft and Approve Resolutions per ORC 3735.66
4. Complete and Submit Petition for Confirmation to state
5. Receive CRA Confirmation Certificate

CRA Program Implementation

1. Identify Eligible Project by location and industry type
2. Collect Project Information and Perform Preliminary Analysis
3. Meet with Schools to determine Revenue Sharing Terms
4. Gain consensus among Schools, Business and City on CRA Terms
5. Accept CRA Application and notify Local and Vocational Schools

CRA Program Implementation

6. Draft CRA Incentive Agreement with the Business and CRA Revenue Sharing Agreement with Schools.
7. Schools pass legislation approving CRA Revenue Sharing Agreement
8. City pass legislation approving CRA Incentive Agreement and CRA Revenue Sharing Agreement
9. Upon passage, execute both agreements
10. Submit CRA Incentive Agreement to state and county

Questions?