

CITY OF ORRVILLE

Community Reinvestment Area (CRA) Policy



Originally Adopted by Orrville City Council - **April 5, 2004**

Originally Certified by the Ohio Department of Development – **May 20, 2004**

Revision Adopted by Orrville City Council – **November 5, 2007**

Revision Certified by the Ohio Department of Development – **November 14, 2007**

INTRODUCTION

In an effort to encourage development and reinvestment in the commercial/industrial sectors and older residential neighborhoods of the city, the City of Orrville has designated a Community Reinvestment Area (CRA) pursuant to Ohio law. Within this zone, special tax incentives may be offered to by contract commercial or industrial entities who agree to make a capital investment in their property and create and/or retain jobs. Each contract must be submitted to Orrville City Council for their approval. Prospective businesses shall meet with the City negotiation team early in this process. Only individuals who are principally involved as an owner or manager of a business interested in the enterprise zone incentives may negotiate with officials regarding the specific incentives available under the terms of any investment agreement. This incentive is also available to residential one- and two- family unit property owners. Residential CRA incentives do not require approval prior to the investment being made.

PURPOSE

The purpose of the CRA is to encourage real property investment and job creation and/or retention within the City. Any entity applying for tax abatement is strongly encouraged to use local contractors and/or suppliers for the construction of their facilities. In addition to compliance with the policies set forth herein, any entity applying for tax abatement must comply with all of the local and state regulations pertaining to the CRA program.

ELIGIBILITY

Any commercial or industrial entity or residential property owner located within the CRA is eligible to apply for tax incentives under this program. Orrville City Council and the Ohio Department of Development must approve the agreements prior to construction to be considered eligible. See Appendix 1, a map depicting the limits of the Orrville Community Reinvestment Area #1.

INVESTMENT REQUIRED

In order to be eligible to apply for tax abatement, a business or residential property owner must agree to make an investment in real property within the CRA. For residential property owners, the amount of investment needed to qualify is \$2,500.00. For commercial/industrial businesses, the amount of investment needed to qualify shall depend on the facts and circumstances of each applying business.

IMPACT ON JOBS

The business must agree to use their best efforts to employ persons who have an Orrville mailing address in at least 30% of the jobs created and to maintain this ratio throughout the term of the agreement.

CONTINUING OPERATION

As a general rule, the business must agree to continue in operation one additional year for each year of tax incentive granted.

AVAILABLE INCENTIVES

1. 50% for 10 years, (the term the same for all) for the remodeling of dwellings containing not more than two housing units.
2. Up to 75% (for up to 12 years) for existing commercial and industrial facilities shall be negotiated on a case-by-case basis in advance of construction or remodeling occurring.
3. Up to 75% (for up to 12 years) for new commercial or industrial facilities shall be negotiated on a case-by-case basis in advance of construction occurring.
4. Multi-family housing units (3 or more) shall be exempt.

Only taxes on new investments within a CRA will be considered. Existing real estate taxes in effect at the time a project is implemented must be maintained throughout the terms of any agreement. No incentives will be available for land or building that already exists prior to the application.

GUARANTEE OF EMPLOYMENT OPPORTUNITIES

In the event, an applicant reduces the number of employees that were on their payroll at the date of the CRA agreement or hired because of that agreement, the CRA incentive may be modified or terminated by the City.

HOUSING COUNCIL

The Community Reinvestment Area Housing Council shall make an annual inspection of the properties within the district for which an exemption has been granted under Section 3735.67 of the ORC and make recommendations to the Tax Incentive Review Council. Prior to January 15 of each year, the business shall submit a yearly statement of investment in real property and employment to the Housing Officer.

TAX INCENTIVE REVIEW COUNCIL

A Tax Incentive Review Council is appointed pursuant to ORC Section 5709.85. The Housing Council shall submit a recommendation to the Tax Incentive Review Council, who will make a recommendation to City Council that the business is eligible for continued tax abatement. Should the company fail to meet the terms of their agreement, or fail to submit any information required by the Housing Council and/or Tax Incentive Review Council, the City Council may modify, reduce, or terminate remaining tax abatements covered in the agreement. In addition, the City Council may require the business to repay an amount equal to the amount of taxes exempted under the agreement.

NON-DISCRIMINATION

No recipient of tax incentives may discriminate against any person on the basis of their race, religion, sex, disability, color, national origin or ancestry.

OTHER REQUIREMENTS

In addition to the guidelines set forth herein, any business applying must comply with all other local and state application regulations pertaining to the CRA Program. Applicants must continue to cooperate with City officials in providing any information required to insure compliance with the terms of the tax incentive agreement.

SCHOOL DISTRICT CONSIDERATIONS

According to ORC Section 5709.83, the Board of Education of each school district including any vocational/technical school district in which the proposed tax exempt property is to be located must be notified a minimum of 14 days prior to a local government reviewing and acting upon a tax incentive proposal. The notice must be formal. The notice must include a copy of the Proposed Agreement (application form). The

notice must disclose the date, time and location of each review meeting scheduled. Proposed Agreements, which require local legislative approvals, must provide formal notice of each meeting.

If the Board of Education comments on the proposal, either in person or by written statement, the local government reviewing the proposal must take the comments into consideration when determining the appropriate action.

Proposals exceeding 50% have additional notice, review, and approval requirements.

REVIEW OF POLICIES/PROGRAM

The City Council reserves the right to re-evaluate the these policy after December 31, 2008, at which time the City Council may direct the Housing Officer not to accept any new applications for exemptions as described in Section 3735.67 of the ORC.

APPLICATION PROCEDURES AND FEES

Application packages shall be available at Orrville City Hall and should be completed and returned to the Orrville City Hall, Attention: CRA Housing Officer. Completed forms must be filed before any consideration will be given to a commercial or industrial applicant.

All commercial and industrial projects are required to comply with the state application fee requirements of ORC 3735.672 (C), which currently is \$750.00. A check in the amount of \$750.00 made payable to the *Ohio Department of Development* must accompany the CRA application.

MONITORING FEES

Each commercial or industrial enterprise receiving a tax incentive through a CRA agreement is required to pay an annual fee of a minimum of \$250.00 up to a maximum of \$2,500.00 annually. The monitoring fee shall be submitted with yearly monitoring reports as follows: A check in the amount of \$250.00 shall be made payable to the *City of Orrville*. An enterprise will receive written notification should their monitoring fee be increased by the Housing Officer.

CRA HOUSING OFFICER

The Safety-Service Director shall be the designated CRA Housing Officer.

NEGOTIATING TEAM

The Negotiating Team shall consist of the Mayor, the Finance Director, and the Superintendent of the Orrville City Schools.

**City of Orrville, Ohio
Community Reinvestment Area
Tax Incentives Application**

*Proposed Agreement for Community Reinvestment Area Tax Incentives
between the City of Orrville located in the County of Wayne and _____*

1. a. Name of Property Owner, Home or Main Address, Contact Person, and Telephone Number.
(Attach additional pages if multiple enterprise participants.):

Enterprise Name

Contact Person

- b. Project Site:

Address

Telephone Number

2. a. Nature of commercial/industrial activity (manufacturing, warehousing, wholesale, or retail, or other) to be conducted at the site:

b. List primary 6-digit North American Industrial Class System (NAICS) #: _____

Business may list other relevant SIC numbers: _____

- c. If a consolidation, what are the components of the consolidation? Please itemize location, assets, and employment positions to be transferred:

- d. Form of business of enterprise (corporation, partnership, proprietorship, or other):

3. Name of Principal Owner(s) or Officers of the business:

4. a. State the enterprise's current employment level at the proposed project site (itemized for full-time and part-time and permanent and temporary employees):

b. Will the project involve the relocation of employment positions or assets from one Ohio location to another?

Yes _____ No _____

c. If yes, state the locations from which employment positions or assets will be relocated and the location to where the employment positions or assets will be relocated:

d. State the enterprise's current employment level in Ohio (itemized for full-time and part-time and permanent and temporary employees):

e. State the enterprise's current employment level for each facility to be affected by the relocation of employment positions or assets:

f. What is the projected impact of the relocation, detailing the number and type of employees to be relocated?

5. Does the Property Owner owe:

a. Any delinquent taxes to the State of Ohio or political subdivision of the State?

Yes _____ No _____

b. Any moneys to the State or a state agency for the administration or enforcement of any environmental laws of the State?

Yes _____ No _____

c. Any other moneys to the State, a state agency or a political subdivision of the State that are past due, whether the amounts owed are being contested in a court of law or not?

Yes _____ No _____

d. If the answer was Yes to any of the above, please provide on additional sheets the details of each instance, including but not limited to the location, amounts, and/or case identification numbers.

6. Project Description:

7. The project will begin _____ and be completed by _____ provided a tax exemption is granted.

8. a. Estimate the number of new employees the property owner will cause to be created at the facility that is the project site (job creation projection must be itemized by the name of the employer, full-time and part-time, and permanent and temporary):

b. State the time frame of this projected hiring: _____ years

c. State proposed schedule for hiring (Itemize by full-time and part-time and permanent and temporary employees):

9. a. Estimate the amount of annual payroll such new employees will add: \$ _____
Itemize new annual payroll by full-time and part-time and permanent and temporary new employees:

Full-time	\$ _____	Part-time	\$ _____
Permanent	\$ _____	Temporary	\$ _____

b. Indicate separately the amount of existing annual payroll relating to any job retention claim resulting from the project:

\$ _____

10. An estimate of the amount to be invested by the enterprise to establish, expand, renovate, or occupy a facility:

A. Acquisition of Buildings	_____	
B. Additions / New Construction	_____	
C. Improvements to Existing Buildings	_____	
D. Machinery and Equipment	_____	<i>Not eligible for CRA</i>
E. Furniture and Fixtures	_____	<i>Not eligible for CRA</i>
F. Inventory	_____	<i>Not eligible for CRA</i>

Total New Project Investment: \$ _____

11. a. Business requests the following tax exemption incentives _____ % for _____ years covering real property as described above. Please be specific as to the rate and term.

b. Business's reasons for requesting tax incentives. Be quantitatively specific as possible.

Submission of this application expressly authorizes the City of Orrville to contact the Ohio Environmental Protection Agency to confirm statements contained within this application including Item #5 and to review applicable confidential records. As part of this application, the property owner may also be required to directly request from the Ohio Department of Taxation, or complete a waiver form allowing the Department of Taxation to release specific tax records to the local jurisdiction considering the request.

The Applicant agrees to supply additional information upon request.

The Applicant affirmatively covenants that the information contained in and submitted with this application is complete and correct and is aware of the ORC Sections 9.66(C)(1) and 2921.13(D)(1) penalties for falsification, which could result in the forfeiture of all current and future economic development assistance benefits as well as a fine of not more than \$1,000 and/or a term of imprisonment of not more than six months.

Name of Property Owner

Date

Name: _____

Signature

Title: _____

**** Copies of this proposal must be included in the finalized Community Reinvestment Area Agreement and be forward to the Ohio Department of Taxation and the Ohio Department of Development **within fifteen (15) days of final approval.****