

Economic Development 101
Tools in the Toolbox
Community Reinvestment Area (CRA)

The Ohio Community Reinvestment Area (“CRA”)¹ program provides property tax exemption for businesses or homeowners who commit to renovate existing or construct new buildings within a defined area.

Local municipalities utilize CRAs to encourage the revitalization of the existing housing stock and development of new structures. A “community reinvestment area” is defined as:

An area within a municipality or unincorporated area of a county for which the governing authority has adopted a resolution describing the boundaries of the area and containing a statement of finding (housing survey) indicating that that development in the area has been discouraged.

Types of CRAs

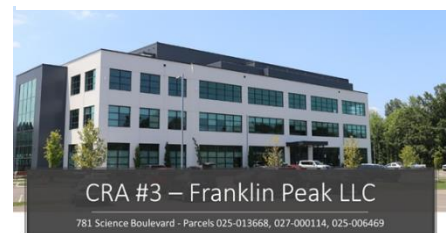
Ohio CRAs are in two distinct categories: Pre-1994 and Post-1994.

- Pre-1994 Ohio CRAs provide a 100% real-property tax exemption for residential, commercial, or industrial projects and do not require approval for this abatement from the local school board. Please note, Pre-1994 Ohio CRAs can be amended only twice after July 1994 to retain operation under the old legislation—any additional amendments will invoke the Post-1994 CRA rules.
- Post-1994 CRA’s require the exemption percentage and term for commercial and industrial projects to be negotiated on a project specific basis. If the proposed real-property tax exemption is greater than 50%, it requires local school district approval unless the local legislative authority decides that at least 50% of the amount of the taxes “lost” by the school district will be made up by other taxes or payments available to the school district.

Please note: In the City of Gahanna, the City and the Gahanna-Jefferson Public School District have a pre-negotiated school compensation agreement that includes revenue sharing within key areas of the city.

Local Example of a CRA

As reported at the 2021 Tax Incentive Review Commission (for Tax Year 2020)

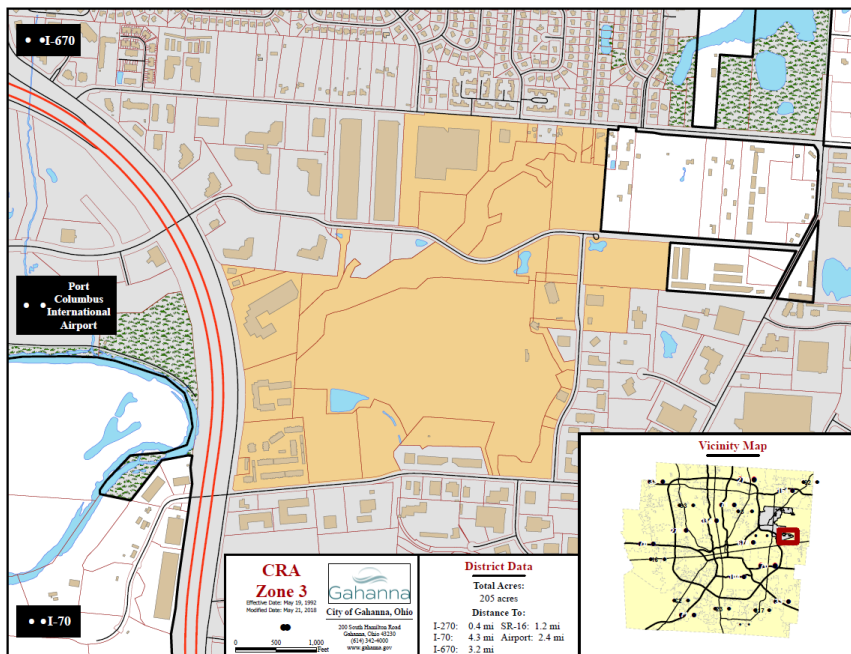


Agreement Benchmarks

Real Estate Only Investment \$6,000,000
Investment Completion Date 1/1/2020
Number of Retained Jobs 131
Payroll Retained \$9,384,971
Number of New Jobs Created 27

As Verified

Real Estate Only Invested \$12,000,000
Date Investment Completed June 1, 2020
Actual Retained Jobs 131
Payroll Dollars Retained \$9,384,971
New Jobs Created 26



¹ To learn more, please visit: <https://development.ohio.gov/wps/portal/gov/development/business/state-incentives/ohio-community-reinvestment-area>