



CITY OF NORWALK

COMMUNITY REINVESTMENT AREA GUIDELINES

ABOUT THE CRA TAX CREDIT PROGRAM FOR DOWNTOWN NORWALK

To encourage investment in the City's commercial and industrial base and to encourage the remodeling and improvement to residences, the City of Norwalk has designated its downtown to be a Community Reinvestment Area (CRA). Within the CRA zone, tax incentives are offered to property owners investing in real property improvements such as the renovation of existing buildings or the construction of new buildings.

For commercial and industrial properties, jobs must be either created or retained. Each CRA Application from a business must be reviewed related to jobs, investment, and tax incentive levels, and must be formally approved by the City. Improvements to single, two and three-family residential properties that meet the City of Norwalk's CRA requirements are also eligible for tax abatements.

INCENTIVES OFFERED

Under the CRA program, the only incentives that can be offered locally pertain to new real property taxes related to a specific project. Existing real property, including assets and land, is not eligible for tax abatement. The City of Norwalk permits up to 100% abatement for a period of up to 15 years for new commercial and industrial construction, and up to 100% and up to 12 years for remodeling/additions to existing buildings. In addition, the City of Norwalk permits 100% abatement for 10 years for remodeling/additions to residential buildings. *See chart below for terms:*

<i>CRA PROGRAM BENEFITS</i>			
TYPE OF PROJECT	TERM	MINIMUM INVESTMENT	JOB CREATION REQUIREMENT
Real Property Tax Abatement	Up to 100%	Depends on project	Depends on project
Residential Remodeling	Up to 10 Years	\$20,000	None
New Construction: Residential	Up to 15 Years	None	None
Industrial Remodeling	Up to 12 Years	\$100,000	Create or retain 2 FTE jobs
Commercial Remodeling	Up to 12 Years	\$50,000	Create or retain 2 FTE jobs
New Construction: Commercial and Industrial	Up to 15 Years	None	Create or retain 2 FTE jobs

REQUIREMENTS

For industrial and commercial projects, the City requests that all companies applying for tax abatement pay at least 150% of the State minimum wage and make their best efforts to hire new employees from the City and County. Application must be made prior to construction or remodeling. The project may not begin until the CRA Agreement has been formally approved by the City.

Industrial and commercial entities are subject to fees. Companies applying for CRA tax incentives must submit a non-refundable check for \$750 made payable to the Ohio Department of Development with their application. Each industrial and commercial project is subject to an annual monitoring fee of \$50.00 payable to the City of Norwalk CRA Program.

Residential CRA participants are subject to a \$25 per unit application fee.

Only those individuals who are principally involved as an owner or manager of a business interested in the CRA tax incentives may negotiate with the City of Norwalk regarding the specific incentives available under the terms of any investment agreement. Landlords of property, rather than brokers, may also negotiate for tax incentives relative to real property improvements.

INDUSTRIAL AND COMMERCIAL AGREEMENTS

The Mayor of the City of Norwalk and/or his or her designee(s) shall undertake discussions with industrial and commercial property owners intending to apply for a CRA tax incentive. As a result of these discussions, a proposed agreement will be brought to a Negotiating Committee. This Committee will review any industrial and commercial CRA applications and proposed CRA Agreements, School Donation agreements, tax analyses, and the general benefit to the community that would result from proposed projects, and make recommendations to City Council, which will vote on approval of the project.

A Tax Incentive Review Council (TIRC) shall review all agreements annually to determine whether the businesses have complied with the terms of their agreements and recommend continuation of each agreement to the City Council of Norwalk.

GENERAL APPLICATION PROCESS

Industrial and Commercial Properties

An application for CRA program benefits will be processed through the following steps:

1. The business must file an application with the City's Zoning Officer, who serves as the Housing Officer to administer the program. A check for \$750, made payable to the Ohio Department of Development, must be submitted with the Application.
2. After the Housing Officer determines that the project is eligible, the Negotiating Committee will meet and recommend an abatement level and revenue sharing agreements based on the project's total investment and job creation level. If the proposed project involves an intrastate relocation, a hometown relocation notice, with a copy of the CRA Application and the proposed CRA Agreement, must be sent to the company's current location (municipality or county) 30 days prior to the planned formal review and approval of the Application by City Council. Draft documents, including a CRA Agreement, CRA Application, Tax Analysis, and School Donation Agreements, should be prepared for review by all parties.
3. A regularly-scheduled City Council meeting will be selected for consideration of the recommendation of the Negotiating Committee and authorization of the execution of the CRA Agreement by the City.
4. At least 14 calendar days prior to the scheduled City Council approval meeting (unless the 50% tax revenue requirement is not met, then 45 working days), the required school notices shall be provided to the effected Boards of Education with the scheduled City Council meeting date noted. A copy of the CRA Application and draft CRA Agreement should accompany the notices.
5. The draft CRA Agreement should also be provided to the City's Law Director for legal review as the Law Director must approve the document as to form. The applicant company should also review the CRA Agreement and the School Donation Agreements for legal content. Draft documents should be finalized and the company should sign them prior to the Council approval meeting.
6. At the scheduled meeting, City Council passes a resolution approving the CRA Application, authorizing the City's execution of the CRA Agreement so the company can begin construction as soon as possible.
7. Within fifteen (15) days of formal approval of the CRA Agreement by City Council, copies of the executed CRA Agreement, CRA Application, School Donation Agreements, the School Notification Letters, and certified copies of the City's legislation must be sent to the Ohio Department of Development and the Huron County Auditor. The Company and the schools should also receive copies of the entire package for their files. (Once the CRA Agreement has been formally approved by the City and all of the appropriate documents have been executed, the company may commence work on the project.)
8. The State Department of Development will review the documents and, if no legal discrepancies are noted, approve the CRA Agreement and advise the City accordingly in writing.
9. The project will be reviewed annually by the TIRC for conformance with the Agreement, utilizing the State's Annual Report form. The Housing Officer will provide staff assistance for the TIRC in obtaining and reviewing necessary facts as to conformance with the Agreement through completion of the State's Annual Report. The annual processing fee should be collected by the City by invoicing all companies on or about February 1. Failure of company to comply with the Agreement can result in the loss of the incentives.

Residential Properties

1. For residential properties not considered commercial projects, the resident must file an application with the Housing Officer on the State-approved form provided by the City. After the Housing Officer determines that the project is eligible, information will be filed with the County Auditor's office in order to reflect to real property tax abatement.
2. Residential properties are **not required to negotiate** an agreement; therefore, the maximum tax abatement and term will automatically apply. It is the responsibility of the residential property owner to apply for the CRA abatement when the improvements are completed. The abatement period commences on the improvement completion date and expires 10 years hence. Delayed CRA applications are permitted to utilize the remaining balance of the abatement period, but retroactive abatements are prohibited.