



# Checklist for Commercial Improvements or Construction

**Intent:** Stimulate economic growth, prioritize job creation, and increase payroll tax revenue for East Palestine.

**Eligibility Criteria**

- Property is located within the designated East Palestine CRA boundaries.
- Applicant is the property owner and current on all property taxes and assessments.
- Project involves either:
  - New construction of a commercial/industrial building.
  - Remodeling of an existing commercial/industrial building with a minimum investment of \$20,000.
  - Project commits to creating or retaining jobs with a minimum annual payroll increase of \$50,000.
- Improvements comply with local zoning and building codes (e.g., permits obtained).
- Agreement negotiated and signed prior to construction start (ORC 3735.671 for post-1994 CRAs).

**Scoring Mechanism for Tax Abatement**

Total possible points: 100. Abatement percentage and term are scaled based on the score, with a focus on jobs and payroll.

Criteria	Points	Description
Job Creation	0-30	1-5 jobs: 10 pts; 6-10 jobs: 20 pts; >10 jobs: 30 pts
Payroll Increase	0-30	\$50,000-\$100,000: 10 pts; \$100,001-\$250,000: 20 pts; >\$250,000: 30 pts
Investment Amount	0-20	\$20,000-\$50,000: 10 pts; \$50,001-\$100,000: 15 pts; >\$100,000: 20 pts
Economic Priority	0-10	Targets Key Sector Needs (Retail, Manufacturing, Restaurants): 10 pts; Other: 5 pts



Long-Term Commitment	0-10	Business commits to 12+ years in village: 10 pts; No commitment: 0 pts
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#### Abatement Scale:

- 0-40 points: 50% abatement for 5 years
- 41-70 points: 75% abatement for 10 years
- 71-100 points: 100% abatement for 15 years

#### Required Documents:

1. Requesting party must provide detailed planning and or financial documents to the Village substantiating the request for tax exemption and the Village retains the right to ask for additional documentation or detail to come to an appropriate determination.

#### Steps for Local Government Compliance and Notification (Ohio Requirements)

##### 1. Pre-Application:

- Confirm CRA boundaries and terms via ordinance.
- Appoint a Housing Officer and establish a Tax Incentive Review Council (TIRC) to negotiate and review agreements (ORC 3735.65, 3735.69).

##### 2. Negotiation and Approval:

- Negotiate a CRA agreement with the applicant specifying abatement terms, job creation goals, and payroll targets (ORC 3735.671).
- If abatement exceeds 50% (per SB 33 update), obtain approval from the East Palestine City School District unless 50% of foregone taxes are offset by other payments (e.g., income tax sharing if payroll exceeds \$2 million, per ORC 5709.82 as amended).
- Notify the school district at least 45 days before approving the agreement if over 75%, or 14 days if 75% or less (ORC 3735.671).
- Approval by East Palestine Village Council

##### 3. Signed Agreement:

- i. A Signed Agreement is needed between the Village and the CRA Applicant
- ii. If CRA related Abatement equals or exceeds 50%, then a Signed Agreement is needed between the Village and the School District

##### 4. Certification:



- Submit certified agreement to the Columbiana County Auditor for tax roll adjustment.
- Issue agreement to the applicant with performance obligations (e.g., annual job/payroll reporting).

**5. Post-Approval:**

- TIRC conducts annual reviews of job creation and payroll performance (ORC 3735.69).
- Rescind abatement if performance falls below 50% of projections for 2 consecutive years (inspired by Westerville's model).
- Submit annual CRA report to ODOD by March 31 (ORC 3735.672).
- If payroll exceeds \$2 million, share 50% of excess income tax revenue with the school district after infrastructure costs (ORC 5709.82, SB 33 update). Publish agreement details on ODOD's website (SB 33 requirement).