

Community Reinvestment Area (CRA)

- Commercial Projects -

Is your company growing? Expanding? Moving?

In some situations, the City of Cincinnati may offer a property tax abatement to a company that is considering building or renovating a commercial facility. The size of an abatement varies between projects and depends upon the taxable value of the improvements that are made to a property.

How does a CRA work?

Suppose an investor enters into an agreement with the City to invest \$1 million to renovate a commercial property. In this case, the abatement is for 50% of the new value for a 12-year term.

Market value of new investment	\$1 million
Assessed value of investment	\$ 350,000
Commercial property tax rate	0.079877758
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Property tax on new investment	\$ 27,957
Annual abatement	\$ 13,979
Total abatement	\$ 167,743

The maximum abatement, net of a payment to the school district, is 75% of the new taxable value. The maximum term on a renovation project is 12 years; for new construction it is 15 years.

Eligible Projects

- Projects that result in at least \$40,000 in investment.
- Projects that result in net, new job creation.
- The investor must demonstrate that the incentive is a major factor in its decision to expand or locate in Cincinnati
- The City also offers abatements for investors that achieve Leadership in Energy and Environmental Design certification through the U.S. Green Building Council.
- The Project cannot begin prior to the execution of the CRA agreements.

Fees

The State of Ohio charges \$750 application fee and an annual fee of one percent of the value of the abatement (minimum \$250/maximum \$2,500).

How do I learn more?

Contact the Economic Development Division at (513) 352-2499.