

APPLICATION FOR COMMERCIAL TAX ABATEMENT

CITY OF CINCINNATI COMMUNITY REINVESTMENT AREA



COMMERCIAL, INDUSTRIAL, MIXED-USE, MULTI-UNIT (4+ UNITS)

*Note: After review and recommendation by the Department of Community & Economic Development, all applications must be reviewed and approved by the City of Cincinnati Council before commencing construction. Any projects that start construction before City Council approval will be **INELIGIBLE** for a Commercial CRA Tax Abatement.*

The City requires that the Applicant provide the following documentation with this application:

- A detailed breakdown of all Sources and Uses of Funds for the project (templates are available upon request). A minimum of \$40,000 in costs must be documented.
- Supporting documentation for ALL sources of funding for the project. For instance, if a bank loan will be obtained, a letter or term sheet from the bank specifying, among other things, the loan amount and term. A contact person must be identified for each funding source.
- A post-construction operating pro forma for the building and cash flow analysis. NOTE: Please submit a copy of the pro forma used to apply for any bank financing as required and a contact person considering the application for bank financing.
- A **\$1,250 application fee** in the form of check, money order, or cashier's check payable to "City of Cincinnati". Note the application fee is nonrefundable.
- Corporate Resolution, Articles of Incorporation, and an Operating/Partnership Agreement for entity applying for abatement showing who is authorized to sign for the organization
- Copy of the Deed or other Legal Description of the Property
- A copy of the proposed construction plans/rendering/etc.
- Estimated pre-construction, and post construction real estate taxes
- If this project is seeking LEED or Living Building Challenge (Full, Net Zero, or Petal [must include "Energy Petal"]) Certification, provide confirmation of registration

SECTION I – Applicant/Project Information

<u>Applicant Information:</u>
Legal Name of Property Owner Applying for Abatement: _____
Form of business enterprise _____ (corporation, partnership, proprietorship, LLC, non-profit, or other)
Is the Applicant affiliated with a larger developer or development entity? (Yes / No). If Yes, please provide the name of this developer or development entity: _____
Legal Address of real property owner: _____
Federal Tax ID #(s): _____
Applicant Contact Person: _____ Title: _____
Phone: _____ Main Contact email address: _____
Address of subject property _____ Zip: 452 _____
Hamilton County Auditor Parcel ID#: _____ - _____ - _____ (see page 3 if additional space needed for multiple addresses or parcel IDs)
City of Cincinnati Neighborhood: _____
Is any other financial assistance being requested from the City of Cincinnati for this project? _____
If yes, please indicate the Development Analyst you are working with: _____

Space/Units to be constructed/renovated:

Construction Type: New Construction Renovation

What percentage of the existing structure is currently occupied: _____%

Total sqft/units to be constructed/renovated:

Commercial: _____ (sqft) Office: _____ (sqft) Industrial: _____ (sqft)

Residential: _____ (sqft) Residential: _____ (# of units)

Project Type:

- Commercial (Retail, Office etc)
 - Industrial
 - Multi-Unit Residential (4 or more units)
 - Mixed-Use (Residential & Commercial)
- Describe the break down in use in SF below:

Please indicate if the project intend to meet Leadership in Energy and Environmental Design (LEED) levels as defined by the U.S. Green Building Council (www.usgbc.org)?

- Project is not LEED-certified
- LEED Silver
- LEED Gold
- LEED Platinum

Please indicate if the project will be qualified under the Living Building Challenge program (<http://living-future.org/lbc>)?

- Project is not LBC qualified
- LBC Full
- LBC Net Zero
- LBC Petal (requires "Energy Petal")

If approved for an abatement, does the Applicant intend to enter into a Voluntary Tax Incentive Contribution Agreement (VTICA)?

Yes _____% No

(A VTICA is an agreement with a third-party non-profit designated by the City in which the Applicant would contribute a portion of the abated taxes to support neighborhood-based projects and services as well as City-wide affordable housing initiatives [note that VTICAs in the vicinity of the Streetcar are used to support streetcar operations]. As indicated on the scoring criteria on page 7, this is a significant factor in determining the terms of the abatement.)

General Project Information:

Project Name (of Applicable): _____

Description of the project:

Please provide a brief description of the applicant's development experience:

Please state why this project deserves a tax exemption from the City of Cincinnati and what benefits the project will bring to the neighborhood where it is located:

If Commercial or Industrial, state the nature of commercial/industrial activity (manufacturing, warehousing, wholesale or retail stores, or other) to be conducted at the site:_____

Other pertinent information regarding this project (multiple parcel IDs & addresses, etc):

SECTION II – Job Creation/Retention

Job Creation and Retention:

The Company will agree to use its best efforts to retain and/or create at least the following estimated number of employee positions at the Property in connection with the Project, in accordance with the specified schedule, and to maintain the minimum employment levels throughout the period of the incentive. The Job numbers below are to be listed in Full Time Equivalent (FTE) positions. FTEs are calculated by the number of total hours worked divided by the maximum number of compensable hours for a full-time work schedule (40hrs/week).

Existing positions at the site of the company to be retained:

Full-Time Equivalent _____ employees; total annual payroll \$_____

Will the project involve relocation of positions from another company location in the State of Ohio to the City of Cincinnati? _____

Existing positions at other company locations in Ohio to be relocated:

Address of Other Location(s): _____

Full-Time Equivalent _____ employees; total annual payroll \$_____

Address of Other Location(s): _____

Full-Time Equivalent _____ employees; total annual payroll \$_____

*Please attach additional sheets if other locations exceed spaces provided above

Will the project involve relocation of positions from another company location outside of the State of Ohio to the City of Cincinnati? _____

Existing positions at other company locations outside of the State of Ohio:

Address of Other Location: _____
Full-Time Equivalent _____ employees; total annual payroll \$ _____

Address of Other Location: _____
Full-Time Equivalent _____ employees; total annual payroll \$ _____

Address of Other Location: _____
Full-Time Equivalent _____ employees; total annual payroll \$ _____

*Please attach additional sheets if other locations exceed spaces provided above

Estimate the number of **new employees** the property owner will cause **to be created at the facility that comprises the project site within three years**. Job creation projection must be itemized by the name of the employer (add an additional page if more than one employer). FTEs are calculated by the number of total hours worked divided by the maximum number of compensable hours for a full-time work schedule (40hrs/week):

Full-Time Equivalent _____ employees (Total); total annual payroll \$ _____

During the first twelve months of the agreement: _____ positions

During the second twelve months of the agreement: _____ additional positions

During the third twelve months of the agreement: _____ additional positions

Temporary Construction _____ jobs; total annual payroll \$ _____

Length of Construction Period: _____

Of all of the above jobs, number and description of approximately how many positions are part-time in nature _____

Please provide a brief description of the Job Creation that is associated with this Project (types of jobs; e.g. fabrication, warehousing, sales, operations, management, technical, retail, etc.):

Note to Applicant: Ohio Revised Code Section 3735.673 requires the City formally to notify each county or municipal corporation from which the company intends to relocate, and the Ohio Development Services Agency, prior to approval of a tax exemption agreement. This notification must be sent prior to consideration of the exemption by Cincinnati City Council.

SECTION III – Project Investment

Real Estate Investment:

Indicate the estimated cost of the construction or remodeling: \$ _____

Estimated total cost of the project (including soft costs & acquisition): \$ _____

Estimated Project start date: _____ Estimated Project completion date: _____

Current Auditor's value of property (aggregate value of all parcels involved): _____

Estimated post-construction value of property: _____

(Please provide appraisal or other method for determining post-construction value of the property)

Other Investment

Investment in Machinery & Equipment (M&E) at the Property: \$ _____

Investment in Furniture, Fixtures, and Equipment (FF&E) at the Property: \$ _____

Other Investment: \$ _____

Description of Other Investment: _____

SECTION IV – Applicant Certifications

Does the property owner owe:

1. Any delinquent taxes to the State of Ohio, the City of Cincinnati or another political subdivision of the State? YES NO
2. Any moneys to the State of a state agency for the administration or enforcement of any environmental laws of the State? YES NO
3. 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

If the applicant responds yes to any of the three above questions, please provide details of each instance including but not limited to the location, amounts, and/or case identification numbers (please submit additional sheets for response).

The Applicant authorizes the City and/or the Ohio Development Services Agency to inspect the personal financial statements of the Applicant, including but not limited to tax records and other similar information not ordinarily open to public inspection; and authorizes the Ohio Environmental Protection Agency and the Ohio Department of Taxation to release information to the City and/or the Ohio Development Services Agency in connection with the above statements.

Note: The above statements as to taxes and other obligations, and authorization to inspect, are required by Ohio Revised Code Section 9.66 (C) (1), As provided by statute, a knowingly false statement under this paragraph may be prosecuted as a first degree misdemeanor under Ohio Revised Code 2921.13 (D) and may render the Applicant ineligible for any future economic development assistance from the state or any political subdivision.

Please initial that you have read the above. X _____

Project Completion:

Once the project is complete, the Applicant is required to submit a CRA Completion Application Form along with required documentation noted therein. It is the Applicant's responsibility to submit this completed form to the City of Cincinnati to ensure the tax abatement will be initiated by the Hamilton County Auditor.

Please initial that you have read the above statement and understand that the abatement will not be considered by the Hamilton County Auditor's Office until the CRA Completion Application Form is complete and submitted.

X _____

Additional Certifications by Applicant:

- The Applicant acknowledges that the property is **Not Eligible** for tax exemption if construction activities are commenced prior to the execution of a Community Reinvestment Area Tax Exemption Agreement between the Applicant and the City. No agreement may be executed by the City without prior approval by Cincinnati City Council.
- The Applicant acknowledges that if the application is approved by Cincinnati City Council, a \$750.00 application fee payable to "Ohio Development Services Agency" will be due. Applicant must submit this fee to the City's Department of Community & Economic Development upon approval by Cincinnati City Council.
- The Applicant acknowledges that a Payment In Lieu of Taxes (PILOT) agreement in the amount of 25% of the annual value of the exemption with Cincinnati Board of Education will be required. The form of this PILOT agreement is available upon request.
- The Applicant acknowledges that if one of the City's considerations for granting a tax exemption is the applicant's representation that it will enter into a VTICA, then the failure by the Applicant to do so is considered grounds for the City of Cincinnati to terminate the tax exemption granted to the Applicant.
- The Applicant acknowledges that all tax exemptions must submit an Annual Report on or before March 31 of each year. This report must be submitted for each year of the tax exemption agreement including during the construction period.
- The Applicant acknowledges that all tax exemptions will be subject to an annual monitoring fee of 1% of the annual taxes exempted under the agreement by the City which will be no less than \$500 and no greater than \$2,500 per year. This annual monitoring fee must be submitted with each Annual Report.
- The Applicant acknowledges that to be eligible for tax exemption by the City of Cincinnati, the subject property must be located within the City of Cincinnati.
- The Applicant acknowledges that exemption values are determined by the Hamilton County Auditor's Office.
- The Applicant acknowledges that the City of Cincinnati may revoke the tax exemption any time after the first year if the property has building code violations or is delinquent on the property taxes.
- The Applicant acknowledges that the City of Cincinnati Council may rescind or alter the Ordinance granting tax exemptions.
- The Applicant agrees to supply additional information upon request.

Please initial that you have read the above. X _____

Prior Agreement. Applicant represents and warrants that neither Applicant, nor any "predecessor" or "related member" is a party to another agreement granting tax exemption relating to a structure in this state at which the Applicant (or the predecessor or related member) has discontinued or intends to discontinue operations prior to the expiration of the term of that agreement. (Note: This information is required by Ohio Revised Code 3735.671 (E). As used herein "predecessor" means a person or entity that has transferred assets or equity to Applicant, which transfer resulted in the full or partial non-recognition of gain or loss, or resulted in a carryover basis, both as determined by rule adopted by the Ohio Tax Commissioner; and "related member" has the same meaning as defined in Ohio Revised Code 5733.042 without regard to division (B) of that section.)

Please initial that you have read the above. X _____

I declare under the penalties of falsification that this application, including all enclosed documents and statements, has been examined by me, and to the best of my knowledge and belief is true, correct, and complete.

Signature of Applicant Date

Printed Name Title (if signed as officer)

Please complete this application in its entirety and submit to the Department of Community & Economic Development along with required supporting documentation. Please make and retain a copy of this application for your records. Please allow 4 weeks for the Department of Community & Economic Development to review and follow-up on this application.

Send Completed Application to:

City of Cincinnati
Department of Community & Economic Development
805 Central Avenue, Suite 710
Cincinnati, Ohio 45202
Attention: Commercial Tax Abatement Application

CITY OF CINCINNATI COMMERCIAL TAX ABATEMENT TERMS

Applications for projects located within the Streetcar VTICA Area (as depicted on the following page) are eligible for a net abatement of up to 75% (less any VTICA contributions, if any) for up to 15 years. Such abatement will be determined based upon job creation, VTICA contributions, project need and other factors that the Department of Community and Economic Development may consider. If the project will be certified LEED Silver, Gold or Platinum or will obtain Living Building Challenge (LBC) Net Zero, Full or Petal (must be “Energy Petal”), the project will not be subject to gap financing analysis.

Applications for projects located outside the Streetcar VTICA Area will be scored in accordance with the below point values:

“But For” Analysis – 0-3 points (determined by Department of Community and Economic Development

Non-LEED, LEED Certified, or Non-LBC Qualified – 0 points

LEED Silver – 2 points for new construction; 3 points for renovation

LEED Gold/LBC Net Zero – 3 points for new construction; 4 points for renovation

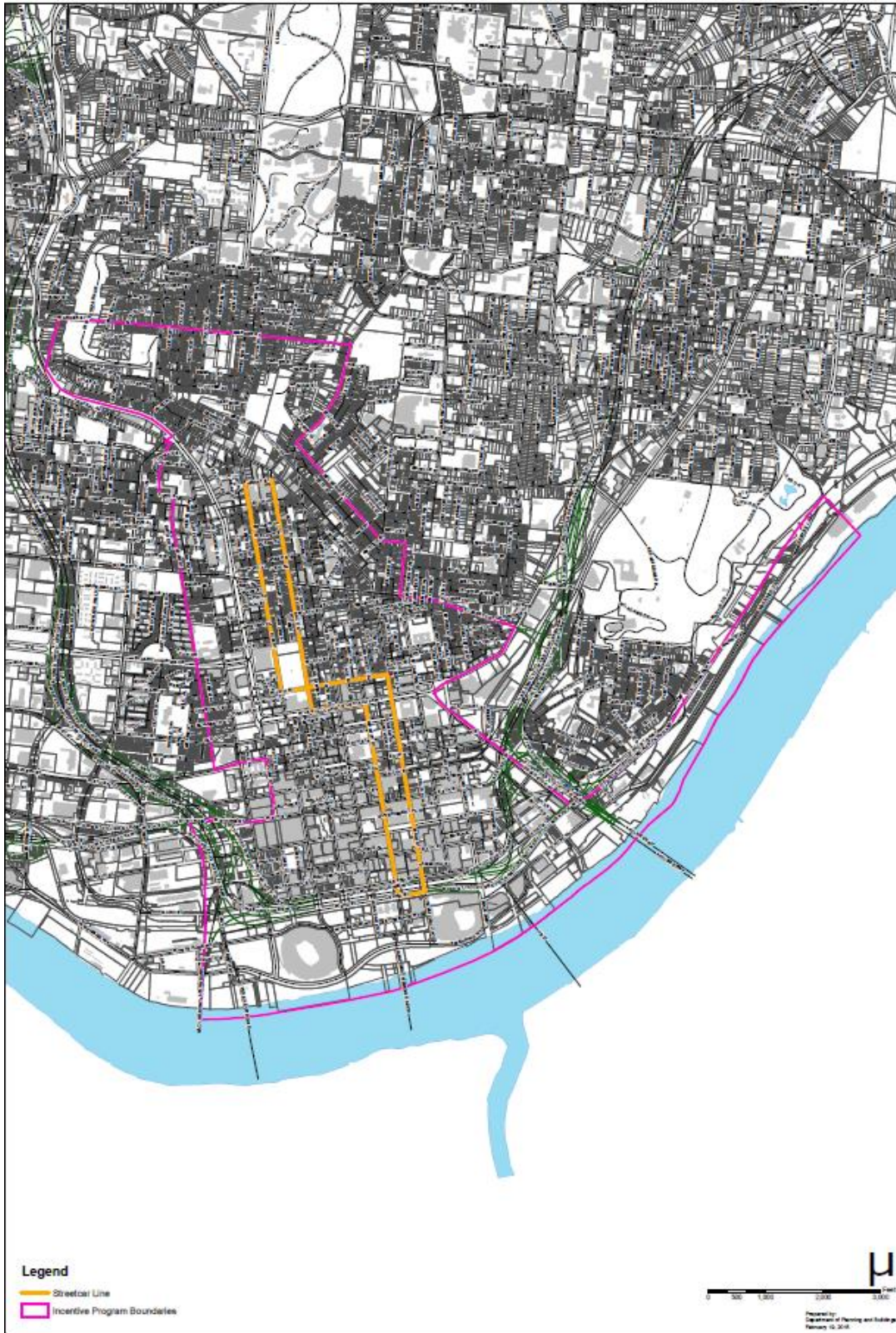
LEED Platinum/LBC Full or Petal (must include “Energy Petal”) – 5 points for new construction; 6 points for renovation

VTICA – 8 points for 15% VTICA contribution; 1 point for any payment up to but excluding 15% VTICA contribution

Points	Term (years)	Net Rate*
0	3	25%
1	4	30%
2	5	35%
3	5	40%
4	6	40%
5	6	45%
6	7	45%
7	7	50%
8	8	60%
9	9	60%
10	11	60%
11	12	60%
12	13	60%
13	14	60%
14	15	60%
15	15	60%
16	15	60%
17	15	60%

* Abatement applies to improved value only. The Net Rate of the abatement takes into account Cincinnati Public Schools PILOT Agreement pursuant to which the Applicant must contribute 25% of the gross amount of the abatement, as well as VTICA contributions, if any.

STREETCAR VTICA AREA



Small Business Enterprise (SBE) Utilization Plan

Please indicate which methods you plan to use to achieve the City's aspirational goal of 30% Small Business Enterprise (SBE) utilization for construction contracts. Return the form to the Department of Community & Economic Development with your tax abatement application. If you have questions about this form, please contact the analyst reviewing your application.

Project Name: _____

Action	YES	NO	Expected Date/Comments
1. Hold a Meet & Confer (required)	<input type="checkbox"/>	<input type="checkbox"/>	
2. Use the City's SBE Directory to solicit bids from certified SBEs –available here: http://www.cincinnati-oh.gov/purchasing/resources-directories/sbe-directory/	<input type="checkbox"/>	<input type="checkbox"/>	
3. Identify sufficient subcontracting work to meet 30% SBE utilization goal	<input type="checkbox"/>	<input type="checkbox"/>	
4. Divide the total requirements into small tasks or quantities to permit maximum SBE participation	<input type="checkbox"/>	<input type="checkbox"/>	
5. Written Notice to Subcontractors of opportunity to bid and follow-up to initial solicitations	<input type="checkbox"/>	<input type="checkbox"/>	
6. Advertise opportunity to bid in local minority publications and in other local newspapers of general circulation	<input type="checkbox"/>	<input type="checkbox"/>	
7. Assistance with subcontractors' bonds, credit lines, and insurance	<input type="checkbox"/>	<input type="checkbox"/>	
8. Provide interested subcontractors with access to plans, specifications and requirements for subject project	<input type="checkbox"/>	<input type="checkbox"/>	
9. Require subcontractors to demonstrate the affirmative steps #2-8 to utilize SBEs in their subcontracts	<input type="checkbox"/>	<input type="checkbox"/>	
10. Other:	<input type="checkbox"/>	<input type="checkbox"/>	

Signature of Authorized Representative

Date

Community & Economic Development Approval

Date