

Ten Incentives Every Treasurer Should Know

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Overview



- *Who:* What governmental entities and/or private parties are involved?
- *What:* What is the objective of the incentive?
- *Where:* What is the geographic reach of the incentive?
- *When:* What term applies to the incentive?
- *How:* What process creates the incentive?
- *Why:* In which settings is the incentive helpful?

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CIC

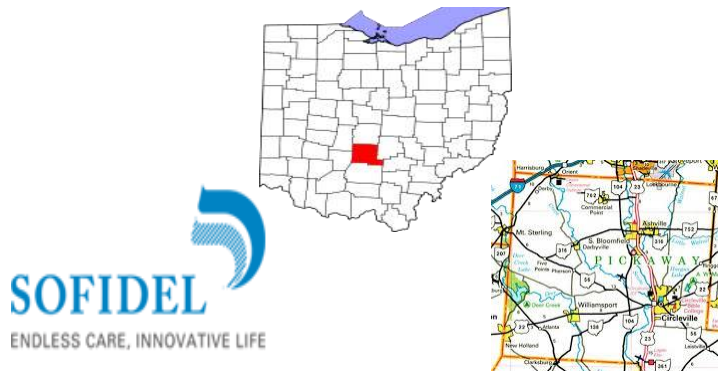


- *Who*: Typically formed by local political subdivisions
- *What*: Non-profit corporation that can support development
- *Where*: N/A; typically focused on forming subdivision
- *When*: No specified term
- *How*: Filing of articles with SOS; Board creation; designation
- *Why*: To assist with land acquisition and disposal for development without public sale requirements, including with respect to purchase price; borrow money/issue debt; facilitate projects; often used for industrial parks

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Example CIC

Pickaway Progress Partnership



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CRA



- *Who:* Counties, municipalities, and property owners
- *What:* Property tax abatement
- *Where:* In areas determined to need redevelopment support
- *When:* 15 years/100%; over 50% requires schools
- *How:* Housing survey; ODOD; application and agreement
- *Why:* Lower property taxes to incentivize development

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Example CRA



- City of Lakewood
- Affordability component
- Address new housing shortage
- Increase tax base
- Enhance City gateway



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DRD



- *Who:* Municipality
- *What:* Divert increases in property tax revenue for public and private improvements and services
- *Where:* Designated parcels or district with historic building
- *When:* 10/30; 70%
- *How:* Legislation, economic development plan
- *Why:* Mechanism to support redevelopment of historic downtowns

Example DRD

- Portsmouth formed four DRDs in historic neighborhoods across the city
- Grants to historic buildings
- Loans for rehabilitation
- Investment in infrastructure
- Contributions to non-profits

1. 30-1454.000 CITY OF PORTSMOUTH	11. 30-1211.000 C.P.A. READY LLC	21. 30-0946.000 CARRINGTON WILBURN A	32. 30-0694.000 SMOKED REBS INC.	43. 30-0730.000 BIHL OFFICE SUPPLY INC.
2. 30-0790.000 FIFTH THIRD BANK	12. 30-0249.000 C.P.A. READY LLC	22. 30-0940.000 HATCHER REAL ESTATE	33. 30-0691.000 HATCHER REAL ESTATE	44. 30-0578.000 GAMBLE REAL ESTATE
3. 30-1102.000 SMITH SIOGGLAS E.	13. 30-1200.000 VALLEY SUPPLY CO.	23. 30-0941.000 HATCHER REAL ESTATE	34. 30-0719.000 AMERICAN LEGION	45. 30-1153.000 TLO HOLDINGS LLC
4. 30-0646.000 LEWIS CARLTON T.	14. 30-1196.000 VALLEY SUPPLY CO.	24. 30-1031.000 ANDISALI LLC	35. 30-1479.000 HATCHER REAL ESTATE	46. 30-0669.000 TLO HOLDINGS LLC
5. 30-0774.000 CAUDILL RICHARD A	15. 30-1201.000 VALLEY SUPPLY CO.	25. 30-1032.000 ANDISALI LLC	36. 30-1300.000 HATCHER REAL ESTATE	47. 30-0124.000 BILMONT CORP.
6. 30-0752.000 SOUTHERN OHIO MUSEUM	16. 30-0560.000 GODDARD JOYCE	26. 30-0835.000 KARR PROPERTIES LLC	37. 30-0577.000 HATCHER REAL ESTATE	48 & 49. 30-4839.000 NATIONAL BANK OF PORTSMOUTH
7. 30-0727.000 SOUTHERN OHIO MUSEUM	17. 30-0126.000 BILMONT CORPORATION	27. 30-0248.000 KARR PROPERTIES LLC	38. 30-0229.000 CHILDERS FAMILY TRUST	50. 30-0638.000 ARTHUR ALAN CORP.
8. 30-1071.000 SOUTHERN OHIO MUSEUM	18. 30-0126.000 BILMONT CORPORATION	28. 30-0487.000 N B C PROPERTIES LLC	39. 30-0608.000 WESBANCO BANK INC	
9. 30-0269.000 COVERT THOMAS S	19. 30-0944.000 CARRINGTON WILBURN A	29. 30-1628.000 N B C PROPERTIES LLC	40. 30-0947.000 WESBANCO BANK INC	
10. 30-0075.000 ZAUBER I FRED	20. 30-0946.000 CARRINGTON WILBURN A	30. 30-0039.000 COUNTY COMMISSIONERS	41. 30-0680.000 BIHL OFFICE SUPPLY INC	
		31. 30-0282.000 SMOKED REBS INC.	42. 30-1260.000 BIHL OFFICE SUPPLY INC	



EZ



- *Who:* Counties and some municipalities; specified property owners
- *What:* Property tax abatement; includes personal property
- *Where:* Designated parcels of property within the county/municipality
- *When:* Varies (10/75 most common)
- *How:* Area designated; agreement negotiated
- *Why:* To stimulate certain development

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Example EZ



Pickaway County Manufacturing



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JEDD/JEDZ



- *Who*: Municipality and township with petition of business and property owners
- *What*: Establish municipal income tax on unincorporated territory to fund services and infrastructure enhancements
- *Where*: Specified parcels
- *When*: Not specified in statute; typically has renewable term
- *How*: Petition, agreement, establishment of board
- *Why*: To support additional development without annexation

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Example JEDD

Northern Pickaway JEDD



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NCA



- *Who*: Counties, municipalities, townships, and property owners
- *What*: New governmental entity to impose community development charges and finance community facilities
- *Where*: Specified parcels
- *When*: No statutory limit; typically useful life of financed facilities or ongoing
- *How*: Petition, legislation, declaration
- *Why*: To finance construction and operation of new infrastructure

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Example NCA

Four charges:

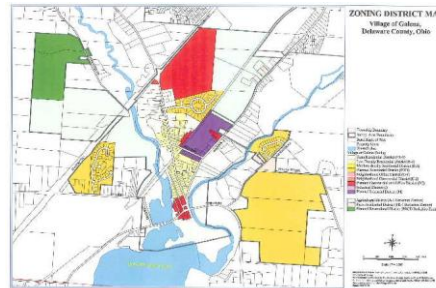
- Assessed valuation charge
- Debt service
- Retail charge
- Hotel charge



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Example NCA

- Community anticipates tens of thousands of new residents in coming years
- Desire for new developments to pay costs as community grows



PACE



- *Who:* Property owner, local government, lender
- *What:* Impose additional tax item for energy improvements
- *Where:* Site of project
- *When:* Useful life of improvements
- *How:* Property owner petition, legislation, financing agreements
- *Why:* Beneficial financing (often mezzanine) for energy components

Example PACE



Delco Lofts Project – Dayton, Ohio

- Urban redevelopment project in Dayton
- Historic industrial manufacturing building
- 134 market rate apartments, parking, amenities, and first-floor retail
- Lighting, windows, HVAC, insulation, thermostats/controls



(Ports)



- *Who:* Existing port authorities and property owners (or, city or county)
- *What:* Provide sales tax abatement and financing for new public or private projects
- *Where:* Specified project sites
- *When:* During construction period; useful life of project
- *How:* Issuance of bonds; capital lease establishment
- *Why:* To reduce construction costs and provide financing for public or private improvements

Example Port Project

- Development of greenfield site with signature development features
- Infrastructure challenges
- Dayton-Montgomery County Port Authority / City of Centerville / Montgomery County / Randall Residence NCA



SA/Special Assessment



- *Who:* Cities, counties, townships, and property owners
- *What:* Create additional tax item to finance infrastructure
- *Where:* Specified parcels
- *When:* Generally the useful life of the improvements
- *How:* Petition, agreements (sometimes), and legislation
- *Why:* So that benefitting property owners can pay costs of new public infrastructure improvements

Example Special Assessment

- Mixed-use commercial, hotel, and retail development
- Inadequate parking in neighborhood
- Public parking garage
- Parking garage revenue backed by special assessment
- CFCFA lease of commercial facility



TIF



- *Who:* Counties, municipalities, townships, property owners
- *What:* Diversion of new property tax revenue for specified improvements (typically public infrastructure)
- *Where:* Specified parcels or a district within the TIFing jurisdiction
- *When:* Varies; 10/75; 30/100; non-school
- *How:* Legislation of the TIFing jurisdiction and agreements with property owners in certain cases
- *Why:* Financing infrastructure needed in connection with growth

Example TIF



- City of Lakewood - .41
- Affordability component
- Address new housing shortage
- Increase tax base
- Enhance City gateway

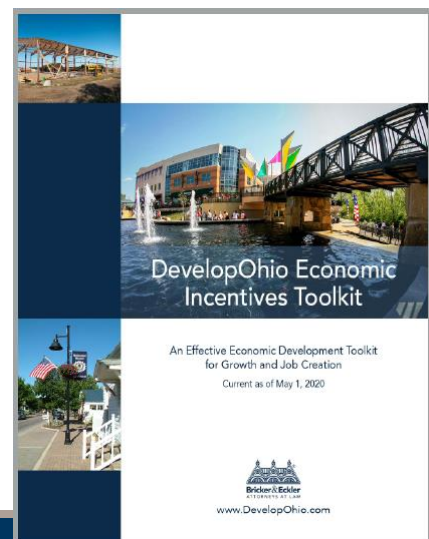


Resource: *DevelopOhio* Toolkit



- *DevelopOhio* blog's free resource:
 - Economic Incentives Toolkit
- First written in 2011
- User-friendly by design
 - Desk reference guide for "greenhorns" to experienced economic developers

<https://www.bricker.com/resource-center/develop-ohio/key-resources/resource/economic-incentives-toolkit-747>



Questions?



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