RESOLUTION NO. 36-2024

A RESOLUTION AUTHORIZING THE APPROVAL OF AN ECONOMIC DEVELOPMENT POLICY FOR THE VILLAGE OF PLAIN CITY, OHIO

WHEREAS, the Village of Plain City Council desires to promote business growth and development, create new jobs and payroll, retain existing businesses and jobs, and encourage private investment; and

WHEREAS, the Village strives to offer competitive financial incentives that promote economic development and business advancement while protecting the Village's fiscal ability to provide high-quality municipal services for the residents and businesses in the Village; and

WHEREAS, the Village is committed to being responsible stewards of taxpayer funds and ensuring that the use of economic development incentives is prudent and judicious; and

WHEREAS, the Village recognizes that economic development incentives can impact other taxing authorities and is committed to engaging in collaborative discussions with these entities; and

WHEREAS, the implementation of an economic development incentive policy enables the Village to effectively administer and monitor its incentive programs, ensuring alignment with the goals of the Village and the broader community; and

WHEREAS, the Plain City Economic Development Incentive Policy (EDIP) establishes a common set of principles and expectations for economic development incentives and provides procedural guidelines for the approval of such incentives; and

WHEREAS, the Plain City Economic Development Committee recommends formal approval and adoption of the EDIP.

NOW THEREFORE BE IT RESOLVED by the Council of the Village of Plain City, Ohio, a majority of the members elected or appointed thereto concurring, as follows:

Section 1. The Village Council hereby approves and authorizes the implementation of the Plain City Economic Development Incentive Policy, as identified in Exhibit A, and attached hereto and incorporated herein.

Section 2. The foregoing recitals are incorporated herein as if fully set forth.

Section 3. The invalidity of any section, part, provision, term, or phrase of this Resolution shall not affect the validity of the remainder thereof.

Section 4. It is found that all formal actions of this Council concerning and relating to the passage of this Resolution were adopted in an open meeting of this Council and that all deliberations of this Council that resulted in this formal action were in meetings open to the public in compliance with all legal requirements, including Section 121.22 of the Ohio Revised Code.

Section 5. This Resolution shall be effective from and after the earliest period provided by law.

Passed: July 8, 2024

Attest: Justin Dreier
Clerk of Council

~~Mayor~~
Council President

First reading: June 24, 2024 Vote: ___yea ___nay ___abstain

Second reading: July 8, 2024 Vote: 6 yea 0 nay 0 abstain

Certificate of Publication

The undersigned, being Clerk of Council of the Village of Plain City, hereby certifies that the foregoing was published by posting for 15 days as required by law and in accordance with Section 4.15 of the Codified Ordinances. The posting was done from July 9, 2024 to July 25, 2024 at the Office of the Clerk of Council located at 800 Village Boulevard; being in the Village of Plain City, Ohio, and the Village of Plain City Website at www.plain-city.com.

Date: July 9, 2024

Clerk of Council

Resolution 36-2024 Exhibit A

PLAIN CITY
EST. OHIO 1818

PLAIN CITY ECONOMIC DEVELOPMENT

INCENTIVE POLICY

JULY 2024

connect. build. grow.

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PLAIN CITY
EST. OHIO 1818

VILLAGE OF PLAIN CITY DEVELOPMENT SERVICES DEPARTMENT
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POLICY OVERVIEW

Purpose
To promote business growth and development, create new jobs and payroll, retain existing businesses and jobs, and encourage private investment, the Village of Plain City (Village) has developed and adopted this Economic Development Incentive Policy (EDIP). The EDIP will allow the Village to negotiate with businesses that desire to expand or locate within the Village.

The purpose of the EDIP is to streamline the Village's economic development incentive process so that the Village can respond to businesses promptly. Accordingly, the EDIP provides thresholds to promote a more efficient and consistent approach to the economic development incentive process while minimalizing the potential impacts of incentives on taxing authorities. The EDIP is a guideline for negotiation purposes and supplements the requirements set forth by the State of Ohio.

Need for Incentive Programs
The Village recognizes the importance of fostering economic growth and attracting new businesses to enhance the local economy. As a proactive approach to expanding economic diversity, Plain City aims to be competitive with other communities throughout Ohio and the nation.

By offering competitive financial incentives, the Village seeks to attract businesses that will invest in their facilities, create jobs, provide payroll for residents, and contribute to local charities and community service organizations. Plain City's incentive programs will allow the Village to offer improved services to both the business community and residents, thereby fostering economic development and prosperity.

Economic Benefits and Community Development
Business investments not only provide monetary benefits but also create a positive ripple effect throughout the community. They generate increased tax revenues, which can be utilized to enhance local services, infrastructure, and educational opportunities. Moreover, businesses contribute to local community organizations, fostering social responsibility and community development.

Enhancing Competitiveness
To position Plain City as an attractive destination for business development, it is crucial to offer competitive incentives. By doing so, the Village can successfully attract businesses that may otherwise choose to establish themselves in other communities that offer more advantageous incentive packages. By being proactive, Plain City will stand out as an attractive and supportive location for businesses.

Economic Diversity and Expansion
The Village is committed to expanding its economic diversity by attracting businesses from various sectors, including industrial, commercial, retail, dining, and hospitality services. By offering competitive incentives, the Village can assist businesses in overcoming potential cost and development barriers that may otherwise prevent them from locating in the community. By attracting businesses from different sectors, the Village ensures that residents moving to the area are adequately served and can enjoy a well-rounded community.

Collaboration and Service Enhancement
The EDIP emphasizes collaboration between the Village, businesses, and other taxing authorities. By offering incentives, the Village will build partnerships with businesses and taxing authorities that share a common goal of economic growth and community development.

Need for an Incentive Policy
The EDIP is important as it establishes a framework that builds consistency, improves transparency, removes barriers to economic development, and enables quick and efficient responses to economic development inquiries. By implementing the EDIP, the Village can ensure a fair and streamlined process for businesses seeking incentives while also protecting the interests of other taxing authorities.

Recognizing that incentives often impact taxing authorities beyond the Village's purview, these taxing authorities must have a voice in the negotiation process. The EDIP allows for their perspectives to be heard, potential financial impacts to be minimized, and ensures that economic development is inclusive and beneficial to the greater community.

Key Factors
When assessing a financial incentive within the Village, the following factors will be considered:

- Projects that align with the Village's goals, such as strategic annexation or the installation of public infrastructure, should be given priority.
- Projects that involve industries targeted in the Plain City Economic Development Strategy should be prioritized.
- Expansion projects of existing businesses should always be prioritized for financial incentives, particularly those that have already demonstrated their commitment to our community.
- Incentives for existing businesses facing immediate closure, downsizing, or relocation should be prioritized, as long as providing an incentive will help the business overcome its financial difficulties.
- Incentives should be designed in a way that offers more favorable terms to projects that result in the creation of new full-time jobs, higher-paying jobs, and substantial additions to the local tax base.
- Some flexibility should be built into the incentives offered to adapt to the particular needs of developers or businesses.
- Performance-based incentives should be implemented so that businesses deliver the jobs, payroll, and investment promised.
- The terms of the incentives offered should be competitive with those offered by other communities in the region.
- Clawback provisions should be included in incentive agreements.
- The Village will evaluate both the short-term benefits and long-term costs of each project, enabling informed decisions regarding the assessment of fees and charges.

Implementation of Policy
The Village shall bear the responsibility for the administration, monitoring, negotiation, and implementation of the EDIP. However, the Village retains the right to appoint another economic development organization to assist in ensuring compliance with the EDIP. This organization will work alongside the Village to oversee the proper administration of incentives, monitor adherence to the policy's guidelines, and facilitate effective implementation.

It is important to note that while the EDIP does not impose restrictions on incentives that are not explicitly stated in the document, efforts will be made to incorporate such incentives into the policy. The Village recognizes the importance of flexibility and adaptability to effectively respond to evolving economic development needs and the availability of new programs. Therefore, while the EDIP may not explicitly outline all possible incentives, the Village is open to considering and integrating additional incentives.

Incentive Negotiation and Financial Oversight
The Village administration has been granted the authority to execute the EDIP on behalf of the Village Council and holds the sole responsibility for negotiating incentives with interested parties. All involved parties are expected to comply with the procedures outlined within the EDIP.

Additionally, the Village Finance Department will play a direct role in the incentive negotiation process. The Finance Department will assess the financial implications and potential risks associated with proposed incentives in order to safeguard the Village's financial well-being.

Periodic Review and Updates
Every three years, the Village will establish a review committee consisting of members of the Economic Development Committee, the Plain City Area Development Corporation (PCADC), and Village representatives to review the EDIP. This review will assess the policy's impact on local economic growth, job creation, and business retention. Additionally, the committee will consider changes in the economic landscape, ensure the policy remains competitive with neighboring communities, and verify that it aligns with the long-term strategic goals of the Village. Minor edits and non-substantive updates to the EDIP do not require formal approval from Village Council or other affected parties. However, any substantive edits or significant alterations to the policy are subject to the formal approval of Village Council and affected parties.

Any new regulations or policy changes introduced by the State of Ohio or other relevant legislative authorities will be automatically incorporated and updated within the EDIP. This ensures that the Village remains in compliance with the latest guidelines and requirements.

The Village will notify the affected parties in writing of any proposed changes to the policy and allow a 30-day comment period. During the comment period, the Village will offer an explanation for the suggested changes and address any comments received from the affected parties.

Additional Parties
To become a party to the EDIP, an interested entity must secure formal approval from the Village through a majority vote of the Council. This approval is obtained by the entity passing legislation or approving board action that formally adopts the EDIP. Once an entity has successfully joined the EDIP, it is expected to comply with the guidelines outlined within the policy.

Memorandums of Understanding
The Village and Jonathan Alder Local School District may enter into Memorandums of Understanding (MOUs) to clarity and implement this policy. Such MOUs could detail compensation frameworks, payment arrangements, compliance monitoring, or other relevant factors essential for the execution and administration of the Village's incentive programs.

Term
It is the intention of the Village that the EDIP will remain in force indefinitely. Every effort will be made to address and resolve conflicts that may arise among affected parties to ensure the long-term viability and effectiveness of the policy. However, in the event that an affected party wishes to withdraw from the policy, written notification must be provided to the Village no later than 60 business days prior to the intended withdrawal date. This allows for a structured process and ensures that all parties have adequate time to address any resulting implications or adjustments.

The Village reserves the right to suspend or cancel the EDIP by a majority vote of Council. In such a scenario, written notification will be provided to affected parties no later than 60 business days prior to the legislative action suspending or cancelling the policy.

Effective Date
This policy becomes effective 45 business days from its formal adoption by the Plain City Village Council.

Conclusion
The EDIP has been carefully crafted to foster collaboration between the Village and other taxing authorities, with the shared goal of promoting the growth and development of our community to safeguard and enhance the general health, safety, and welfare of our residents. By implementing this policy and actively following its recommendations, we will present a unified front in economic development efforts, benefiting both the business community and the residents of our community. The EDIP serves as a strategic framework to drive coordinated and effective actions that contribute to the overall prosperity and well-being of our community.

FINANCIAL INCENTIVES

Financial incentives refer to monetary support provided by government entities to businesses in order to encourage specific economic activities, such as expansion, relocation, job creation, or investment. In Ohio, these incentives are typically offered in the form of real property tax exemptions. The programs listed below are currently available in Plain City and are among the most commonly used in Ohio. This list is not an exclusive list of financial incentives, however, and the Village retains the right to provide additional financial assistance as deemed necessary.

Community Reinvestment Area (CRA)
CRAs are designated geographic areas where property owners can receive a real property tax exemption for making improvements or undertaking new construction projects.

CRAs are governed by the Ohio Revised Code (Chapter 3735) and are administered at the local level. There are currently three CRAs in Plain City. Property owners within these areas can apply for real property tax exemptions on the increased property value resulting from their investments. The length and extent of the exemption are determined by the Village.

Tax Increment Financing (TIF)
Under the TIF program, the Village can designate a specific geographic area as a "TIF District" and capture a portion of the increased real property tax revenue generated within that district. These captured funds, known as "incremental revenue," are then directed toward financing public infrastructure improvements.

TIF operates through the Ohio Revised Code (Chapter 5709.40 to 5709.43) and is regulated by the Ohio Department of Development. TIF districts are typically established in areas where substantial public investment is necessary to support development.

When a TIF District is established, the taxable value of the properties within the district is frozen at the base value, typically the value at the time of the district's creation. As improvements and new developments occur within the district, the taxable value increases, generating additional property tax revenue. The incremental revenue above the base value, instead of being distributed to all taxing authorities, is redirected to a separate fund called the "TIF fund." The funds collected in the TIF fund can be utilized to finance various eligible costs, including infrastructure improvements, demolition, public amenities, and other economic development activities.

Enterprise Zone (EZ)
Enterprise Zones (EZs) are specific geographic areas governed by the Ohio Revised Code (Chapter 5709.62 to 5709.69) in which businesses can receive real property tax exemptions for establishing or expanding their operations. Typically established and managed by local governments in collaboration with state authorities, EZs function similarly to Community Reinvestment Areas (CRAs). Property owners within an EZ have the opportunity to apply for real property tax exemptions on the increased value of their property resulting from investments made within the designated zone, with the term and extent of the tax exemption determined by the local government.

Currently, Plain City does not have an established Enterprise Zone. However, the Village may establish an Enterprise Zone program in the future to provide additional support for economic development.

New Community Authority (NCA)
New Community Authorities (NCAs) are authorized under Section 349 of the Ohio Revised Code as a mechanism for creating well-planned and economically sustainable new communities. They are separate political subdivisions governed by a board of trustees. Establishing an NCA requires the filing of a petition, property owner consent, and approval from the municipal council.

The municipal council then appoints a board of trustees to govern the NCA. Multiple NCAs can be formed in a municipality based on development needs. Once established, an NCA has the authority to issue bonds for specific projects, such as road construction or community facility development, funded through special taxes within the designated NCA area. These funds, whether from sales, income, or property taxes, are earmarked exclusively for use in the designated area.

NCAs operate within a defined scope and duration, typically until associated bonds are fully repaid. The governing powers of the NCA and the use of revenues generated from the special taxes are outlined in agreements between the municipality and the NCA board. The NCA's authority includes the purchase, improvement, or sale of real or personal property, provision of activities for residents, collection of service fees, enforcement of community development charges, and the issuance of debt to cover operational and maintenance costs of community facilities. However, NCAs do not possess authority over zoning or subdivision regulations, or police or fire protection.

OTHER PROGRAMS

Impact Fee Reduction
Certain industrial or office projects may be eligible for a partial reduction of roadway, safety, park, and zoning development impact fees. Water and sewer capacity fees are not subject to reduction.

Fire Suppression System Fee Reduction
The Village may reduce the system capacity fee for water lines serving new fire suppression systems in historic buildings located within the Uptown Plain City Historic District in which commercial, office, or upper-level residential projects are planned.

Annexation Enhancement Program
To foster sustainable and cohesive growth along the village's periphery, the Village may provide targeted incentives to property owners contemplating annexation. This program is offered on a case-by-case basis and may include benefits such as municipal income tax waivers, rezoning fee exemptions, and others.

Commercial Corridor Improvement Program
The Commercial Corridor Improvement Program (CCIP) provides financial assistance to eligible commercial property owners and businesses for qualifying exterior building and site improvements. The purpose of the program is to support the revitalization of the Village's commercial corridors by stimulating private investment in high-quality improvements that enhance the appearance of buildings and properties, eliminate blight, address non-conforming design standards, and stimulate private investment. The program is available on a case-by-case basis and is based on identified priority properties.

Plain City Area Development Corporation
The Plain City Area Development Corporation (PCADC), is a community improvement corporation that serves as the statutory economic development agent of the Village. The PCADC has unique economic development capabilities that include the ability to borrow money, purchase and lease property and buildings, purchase and lease personal property, and issue bonds or notes.

Ohio Means Jobs
Ohio Means Jobs can assist businesses needing services such as job postings, applicant screening, and interviewing. These services are typically offered in-kind for projects that result in the hiring of new employees.

JobsOhio / State of Ohio
In addition to local economic development programs, businesses in Ohio can access further economic development assistance through JobsOhio and the State of Ohio. JobsOhio, the state's private economic development corporation, offers a wide range of programs and resources to support business growth and investment. For instance, JobsOhio provides financial assistance through grants, loans, and tax credits to help businesses expand their operations, create jobs, and invest in Ohio communities. They also offer customized workforce development solutions, site selection assistance, and industry-specific support to foster innovation and competitiveness.

The State of Ohio also offers various economic development programs and incentives. One notable program is the Ohio Job Creation Tax Credit, which provides tax credits to businesses that create new jobs and make substantial capital investments in the state. Additionally, the Ohio Department of Development provides a number of resources, such as the Ohio Enterprise Bond Fund and the Ohio Innovation Fund, which offer financing options and capital access to support business expansion, technology commercialization, and infrastructure development.

COMMUNITY CONSIDERATIONS

Non-Discrimination
Businesses seeking incentives from the Village must adhere to a policy of non-discrimination. Discrimination based on race, color, religion, sex or gender, sexual preference, national origin, age, disability, or any other protected characteristic is prohibited. Any substantiated instances of discrimination may result in the revocation of incentives and other appropriate actions in accordance with applicable laws and regulations.

Environmental Sustainability
As part of the Village's commitment to environmental sustainability and the protection of the Big Darby Creek, businesses seeking incentives are encouraged to employ environmentally friendly tactics. This includes adopting practices that minimize their ecological footprint, conserve resources, and reduce pollution. Businesses are also encouraged to embrace environmentally friendly design and amenities, such as incorporating energy-efficient technologies, utilizing renewable energy sources, implementing waste reduction and recycling programs, and preserving natural habitats and open space.

Hiring Practices
In line with the Village's commitment to fostering an inclusive community, businesses seeking incentives are encouraged to prioritize the hiring of a diverse workforce. This includes local residents, individuals from diverse backgrounds, those facing economic challenges, veterans, disabled individuals, retired or semi-retired individuals, formerly incarcerated individuals, and others.

In-Kind Contributions
Businesses receiving an exemption are encouraged to provide in-kind contributions to affected taxing authorities, including school districts. Potential contributions include cash donations, donations of goods or services, support of programs and events, and others.

Ensuring Fairness and Equitable Third-Party Agreements
The Village acknowledges that neighboring jurisdictions or other taxing authorities may grant incentives or development agreements other than those approved by the Village. However, it is important to emphasize that the Village will not be expected to bear the burden of potential impacts resulting from these third-party agreements. In cases where it is determined that these third-party agreements unjustly impose burdens on Plain City, financial or otherwise, the Village reserves the right to implement special fees or other cost recovery measures. The Village may also decline to provide assistance in order to discourage unfair practices.

Infrastructure Costs
The Village recognizes the importance of carefully assessing both the short-term benefits and long-term costs associated with infrastructure and maintenance. In this regard, the Village reserves the right to evaluate and consider all relevant factors before making decisions on fees and charges. Accordingly, the Village may apply additional fees as deemed appropriate, taking into account the potential impact on the long-term sustainability and maintenance of the infrastructure.

Excess Revenues
Incentives should be in effect for a reasonable period of time and should be phased out as soon as financially feasible. The Village recognizes that maintaining incentives beyond their necessity is not prudent. In situations where excess funds are generated as a result of an incentive agreement, the Village, at its discretion, may choose to redistribute those funds back to the appropriate taxing authorities. Furthermore, when legally permissible and with Council approval, the Village may opt to terminate an incentive once the financial obligations of the abatement have been satisfied.

APPLICATION + APPROVAL

Village administration shall be responsible for the administration of Village incentive programs, including determining the eligibility of particular projects for tax exemptions. The following guidelines shall be used in order to streamline the incentive approval process:

- **Businesses must execute incentive agreements before beginning a project. Failing to do so will cause the project to be ineligible for assistance.**

- Preliminary Consultation: Before proceeding with the application process, businesses must schedule an initial consultation with the Village's Development Services Department. This consultation serves as an opportunity to discuss the project's scope, eligibility criteria, incentive requirements, and any other relevant information.

- Formal Application: Upon the conclusion of the initial consultation, the Village will extend an invitation to the business to submit a formal application. Businesses interested in accessing an exemption must complete the application form provided by the Village, which includes pertinent business information, project details, and the specific incentive(s) requested.

- Supporting Documents: Applicants must provide any required supporting documents, such as financial statements, business plans, employment projections, and project timelines.

- Application Fee: A non-refundable application fee may be required to cover administrative costs. The fee amount and payment instructions will be specified on the application form. Application fees must be submitted with the application.

- Submission Deadline: Applications must be submitted by the deadline specified by the Village.

Application Review and Evaluation

- Review: The Village will engage the Plain City Tax Incentive Review Council (TIRC) or the Plain City Housing Council to evaluate the application and project.

- Evaluation Criteria: The TIRC or Housing Council will schedule a meeting to assess the application based on factors such as the potential economic impact, job creation, alignment with community goals, sustainability practices, financial viability, and the overall benefit to the Village.

- Discussion: The TIRC or Housing Council may invite the applicant to review the project and provide additional context regarding the need for incentives.

- Approval and Notification: Once the review process is complete and the application is approved, the recommendation of the TIRC or Housing Council is drafted into an incentive agreement and legislation for presentation to Village Council. The Development Manager will invite applicants to review a draft of the agreement and legislation prior to submitting to Council. Village Council has the ultimate authority, as outlined in the Ohio Revised Code, to approve the exemption and execute any required documents, subject to any additional approvals needed from other authorities.

- Reapplication: In the case of an unsuccessful application, notification will be issued clearly explaining the reasons for the decision. Applicants may be invited to address and correct concerns and reapply in the future.

- Appeals: Pursuant to Section 3735.70 of the Ohio Revised Code, in the event a CRA applicant wishes to appeal a decision of the Housing Officer, the applicant may appeal to the Housing Council, which has the authority to overrule decisions of the Housing Officer. Further appeals may be made to the court of common pleas.

- Timeline: The Village is committed to streamlining the approval process while upholding transparency. It is important to note that the Village Council generally does not pass items on an emergency basis, ensuring thorough consideration of all relevant factors. Additionally, certain incentives may require approval from other authorities, such as boards of education, the county, or the state, which operate on separate timelines from the Village. Applicants are responsible for ensuring that their project timeline accounts for potential impacts resulting from the duration of the approval process.

Third Party Review of Project

The Village may request an independent third-party review and financial analysis of the proposed development project. This review may include an analysis of costs and benefits, return on investment, general financials, and feasibility, and it may require involvement from the Village's financial and legal counsels.

RETURN ON INVESTMENT (ROI)

The Village is interested in determining the potential Return on Investment (ROI) for projects that receive real property tax exemptions. This helps the Village better consider the impacts of its incentive programs and communicate benefits to the broader community. While acknowledging that ROI does not capture the qualitative impacts of a project, the Village may request applicants provide an ROI estimation based on the following algebraic formula: **((A * B) - (C - D)) / (C - D)**, where:

- **A** represents the projected income tax from new payroll for the entire term of the projected abatement.
- **B** denotes the most recent IMPLAN multiplier.
- **C** represents the projected total potential incentive package value over the course of the term of the incentive with the longest period.
- **D** denotes the total of school PILOT payments, if negotiated.

This formula helps estimate the ROI by considering the projected income tax generated from new payroll (A) and multiplying it by the IMPLAN multiplier (B). This accounts for the economic impact of the project. Then, it subtracts the difference between the projected total incentive package value (C) and the school PILOT payments (D). This accounts for the cost of the incentives. Finally, the result is divided by the same difference (C - D) to determine the ROI percentage.

For example, assume that the Village projects an income tax of $1,000,000 from new payroll (A), the IMPLAN multiplier is 1.5 (B), the projected total incentive package value is $800,000 (C), and the school pilot payments amount to $100,000 (D).
Plugging these values into the formula:

$$ROI = ((1{,}000{,}000 * 1.5) - (800{,}000 - 100{,}000)) / (800{,}000 - 100{,}000)$$

Simplifying the equation further:

$$ROI = (1{,}500{,}000 - 700{,}000) / 700{,}000$$

$$ROI = 800{,}000 / 700{,}000$$

$$ROI \approx 1.143$$

In this example, the calculated ROI is approximately 1.143 or 114.3%. This ROI suggests that the incentive package is expected to generate a return greater than the initial investment.

COMPLIANCE + REPORTING

Compliance with Regulations

- At the time of application, and for the duration of an exemption, businesses must not have any outstanding taxes or fees owed to local, state, or federal taxing authorities. Additionally, they must not have any unresolved property maintenance, code, or permitting violations or citations related to the subject property or any other properties within the village, unless the project addresses and corrects the violations.

Relocation Notice

- A business that intends to fully or partially relocate from another community in Ohio must notify the Village at the time of application. The notification must include an explanation of the reason(s) for the relocation. The Village must then notify the original community and the Director of the Ohio Department of Development about the potential relocation at least 30 days prior to formal approval by Village Council.

Annexations

- Businesses that wish to utilize the Village's incentive programs are required to annex into the village before the approval of any incentive agreements.

Water and Sewer Service

- Businesses that choose to take advantage of the Village's incentive programs are required to connect to its preferred service provider(s).

Annual Review of Incentive

- Businesses that receive an exemption are required to submit annual progress reports to ensure their compliance with the terms of the incentive agreement.
- The TIRC or Housing Council will conduct an annual review of all incentive packages throughout the term of the exemption.
- If the review determines that incentives are being improperly provided due to a change in tenant status or non-compliance, or if the business fails to file the necessary annual report, the TIRC or Housing Council may recommend the suspension or termination of the incentive.

Annual Monitoring Fee

- Unless waived, an annual monitoring fee of 1% of the abated investment amount, up to a maximum of $2,500, shall be paid by the business to the Village. Businesses may choose to pay the fee annually or opt to pay the total annual monitoring fee upfront at the time the incentive agreement is executed. The payment arrangement shall be included in the incentive agreement.
- The funds will be used by the Village to monitor and administer associated agreements and to advance the Village's economic development goals.
- If determined appropriate on a case-by-case basis, annual monitoring fees may be waived.
- The annual monitoring fee is in addition to any other application fees and monitoring fees that may be required by the County, State of Ohio or other authorities.

Compliance with Incentive Agreements

- The Village expects all businesses to uphold the terms outlined in their respective incentive agreements. However, it understands that external economic factors may impact a planned project or a business's operations. The Village is committed to assisting businesses facing compliance challenges due to economic factors. Within reasonable limits, the Village will collaborate with businesses to modify agreements as necessary. Businesses are encouraged to demonstrate good faith efforts in maintaining transparency and honesty during such proceedings. The revocation of an incentive agreement and implementation of clawback provisions will be considered as a last resort.

Clawback Provisions

The Village has full authority to enact clawback provisions. Examples of potential causes may include, but are not limited to:

- Misrepresentation or Fraud: the business has provided false information or engaged in fraudulent activities to obtain the incentives.
- Non-fulfillment of Obligations: the business has not met the agreed-upon terms and conditions outlined in the incentive agreement, even after working with the Village to come into compliance.
- Material Breach: the business has committed a material breach of the incentive agreement, such as significant violations of regulations or law.
- Change in Ownership or Control: there is a change in ownership or control of the business.
- Operational Downsizing or Closure: the business downsizes, ceases operations, or relocates before fulfilling its obligations under the incentive agreement.

The implementation of clawback provisions is not automatic and is subject to careful consideration. The decision to enforce clawback provisions is made to ensure accountability and the prudent use of taxpayer resources, while also promoting fairness and compliance within the business community. Each case will be evaluated individually.

SCHOOL DISTRICTS

In the interest of fostering transparency and consistency for businesses considering tax incentives, the Village recognizes the importance of providing clear and consistent guidelines. Acknowledging the legal requirement to involve local school districts in negotiations related to such incentives, the Village is committed to creating a framework that ensures mutual benefit.

Negotiation Process
The negotiation process will involve the active participation of the school districts, either directly or through relevant bodies such as the Housing Council or Tax Incentive Review Council. The involvement of the school districts is essential to ensure comprehensive consideration of the potential impact on educational resources, facilities, and services.

The Village acknowledges the importance of considering both the short-term and long-term needs of the school districts when negotiating potential incentives. In its commitment to supporting education, the Village will make every effort to exceed state statutory requirements.

Notification
Under the Ohio Revised Code, the Village is required to notify impacted school districts when considering real property tax exemptions. This includes a 45-business day requirement for exemptions greater than 75%, 10-years, and a 14-business day requirement for exemptions less than 75%, 10-years. The Ohio Revised Code allows districts to waive these notification requirements.

By being a party to this incentive policy, the Jonathan Alder Local School District agrees to waive the notification requirements outlined in the Ohio Revised Code. Instead, the district shall be notified at least 20 business days prior to the formal approval of any property tax exemption agreement.

Approval
The Ohio Revised Code stipulates that the board of education must formally approve real property tax exemptions greater than 75%, 10-years, with the authority to recommend modifications to a proposed agreement. Per the Jonathan Alder Local School District's participation in this policy, the Board of Education hereby agrees to approve all real property tax exemptions as long as the provisions below are elsewhere within this policy are satisfied.

School District Payment Agreement - Payment In Lieu of Taxes (PILOT)
Businesses that receive real property tax exemptions greater than 75%, regardless of term, or any exemption requiring formal approval from the Jonathan Alder School District Board of Education, must enter into a PILOT Agreement with the Jonathan Alder Local School District and Tolles Career & Technical District. The recipient shall pay each district an amount equal to 30% of the real property taxes the districts would have received from the project had the exemption not occurred. The method and timing of payments due under this policy shall be mutually agreed upon by the parties.

Village Revenue Sharing Agreements
For all real property tax exemptions, regardless of rate and term, the Village will pay the district an annual amount equal to 50% of the total income tax revenues received by the Village from the compensation of new employees at the project site. The Village agrees not to subtract infrastructure costs from these payments. The method and timing of payments due under this policy shall be mutually agreed upon by the parties.

The Village and the district acknowledge and agree that the provision for income tax revenue sharing is intended to partially compensate the district for the impact of the real property tax exemption. If the combined allocation of income tax receipts and the PILOT payment from the recipient exceeds the annual amount of real property tax revenue the district would have received without the exemption, then the Village's income tax payment will be reduced so that the total of the PILOT payment and the income tax payment does not exceed the annual amount of real property tax revenue that would have been generated without the exemption.

Exemption Rate
The Village prioritizes responsible management of taxpayer resources, supporting real property tax exemptions only at the minimum level necessary to support a project. Recognizing that businesses may choose exemption rates below the Village's recommended level, adjustments are permitted in 5% intervals. For instance, if a business is offered a 75% exemption (which would be subject to the PILOT Payment provision), should the business wish to accept a lower term to avoid the PILOT Payment provision, the next allowable rate would be 70%.

OTHER TAXING AUTHORITIES

The Village acknowledges that real property tax exemptions or Tax Increment Financing (TIF) may impact various taxing authorities, such as the Pleasant Valley Fire District and the Plain City Public Library. At its discretion, the Village may require recipients of real property tax exemptions or TIF assistance to contribute to these taxing authorities for projects benefiting the community. Such contributions may include financial payments, fundraising support, programming, capital improvement projects, or other forms. In such cases, it will be the recipient's responsibility to negotiate directly with the taxing authority and reach a mutually satisfactory arrangement.

TAX INCREMENT FINANCING

The Village considers Tax Increment Financing (TIF) Districts on a case-by-case basis, following certain guiding principles. TIF is utilized to finance infrastructure improvements, and it may be used to assist with private sector funding only in special circumstances.

The Village generally supports TIFs that:

- Promote economic development
- Facilitate residential development
- Contribute to area-wide growth and improvements
- Enhance proposed projects

The following principles guide the evaluation of TIF District requests:

- TIF proceeds are invested in infrastructure projects that benefit the broader community.
- TIF District boundaries are carefully designed to ensure they don't impede future TIF capacities in nearby areas.
- TIF-funded improvements are completed within the timeframe of collecting TIF revenues.
- TIF-funded improvements are publicly accessible through public streets and sidewalks, including ADA ramps.
- TIF Districts are structured to minimize financial impacts on schools and other taxing authorities.
- TIF Districts require developers to submit an application and pay an annual monitoring fee.

Economic Development

In addition to the principles applied in all categories, the following principles are considered for TIF Districts supporting economic development:

- TIF Districts that offer clear economic benefits such as job creation and retention.
- TIF Districts that act as catalysts for additional development.
- TIF Districts that remove obstacles to development or the installation of public infrastructure.
- Real property tax incentives (CRA, Enterprise Zone) are discouraged when TIF is utilized.

Residential Development

The Village recognizes that TIF districts with primarily residential components may place a strain on various taxing authorities and the school district. Residential projects receiving TIF benefits must contribute to a substantial or essential public improvement aligned with the Village's goals, address a specific housing need, or support larger economic development initiatives. Requests for TIFs for residential projects will undergo a comprehensive evaluation process. In addition to the principles applied in all categories, the following principles are considered for TIFs supporting residential development:

- TIF Districts that encourage the development of mixed-use projects with diverse housing options.
- TIF Districts that revitalize underutilized or blighted areas.
- TIF Districts that prioritize affordable housing initiatives, such as reserving a portion of residential units for low and moderate income individuals and families, or individuals with special needs.
- TIF Districts that address unmet community needs.

Area-wide Improvements

In addition to the principles applied in all categories, the following principles are considered for TIFs supporting area-wide improvements:

- TIF proceeds are allocated to address various infrastructure needs in the area, including roadways, parks, recreational facilities, safety facilities, and water and sewer infrastructure.
- Developers remain responsible for meeting roadway and facility requirements.
- In growth areas, future developments must join existing TIFs or establish new ones if the existing infrastructure remains inadequate.

Project Enhancements

In addition to the principles applied in all categories, the following principles are considered for TIFs enhancing proposed projects:

- TIF is intended for cases where extraordinary circumstances exist. TIF proceeds can be used to support environmental remediation, demolition of structures, mitigation of excessive development costs, construction of flood protection systems, installing public infrastructure, environmental preservation efforts, and improving the surrounding streetscape for pedestrian and driver safety.

Non-school TIFs

The Village requires the use of non-school TIF Districts to ensure the continued sustainability of the local educational community. Non-school TIF Districts allow school districts to receive the full amount of property taxes that would have been payable without the TIF exemption.

TIF Boundaries

Per the Ohio Revised Code, a TIF District can be established on one parcel or a number of parcels totaling up to 300 contiguous acres.

TIF Timeline

The TIF process is approximately 12 to 15 weeks. The Village must initiate the process through public notice.

Board of Education Approval

TIF Districts that exceed 75%, 10-years must be approved by the affected boards of education.

TIF Roles & Responsibilities

Village

- Determine the costs of the public infrastructure under consideration and the value of the proposed exemptions (proposed exemption must generate revenue necessary to retire associated debt).
- Propose a resolution or ordinance declaring public infrastructure improvements to be a public purpose necessary for the development of certain parcels of land within the village.
- Give notice of public hearing at least 30 days prior to the public hearing.
- Provide a detailed description of the anticipated improvements including estimates of true investment for such improvements to the affected school districts when exempted amounts exceed 75%, 10 years. This must be done within 45 days of adopting such a resolution or ordinance.
- Conduct a public hearing within 30 days before adopting the proposed resolution or ordinance.
- Adopt the proposed resolution or ordinance.
- Execute a revenue-sharing agreement within six months of adopting the ordinance with affected school districts in cases where the new investment results in annual payroll for new employees of $1,000,000 or more.
- If a compensation agreement is not reached within six months, the Ohio Revised Code provides for a mandatory 50/50 sharing between the Village and the affected school districts.
- Submit TIF-related and PILOT agreement to ODOD within 15 days of enactment of the TIF.
- Submit a status report by March 31 each year in which a TIF district is in effect to the Director of Development.

Board of Education

- Approves resolutions that provide for exemption greater than 75%, 10-years.
- May disapprove percentages, term, or both.
- Proposes compensation percentage in resolution to legislative authority within 14 days of formal approval of proposed resolution or ordinance.
- Failure to certify such a resolution to legislative authority permits the adoption of the proposed resolution or ordinance with no provision for a compensation percentage for the affected school districts.

County Auditor

- Works with local legislative authorities to obtain the market value and taxable value of the proposed new real property investment.
- Works with local legislative authorities to determine projected tax revenues resulting from the proposed new real property investment.

County Treasurer

- Creates tax equivalent account to accept the PILOTs.

Property Owner

- Enters into a contract with the local legislative authority describing the obligation to make PILOTs.

COMMUNITY REINVESTMENT AREA

Businesses interested in receiving tax incentives through the Community Reinvestment Area (CRA) program must demonstrate the short and long-term benefit to the community by meeting certain requirements and minimum investment levels. CRA agreements are to be negotiated, guided by the thresholds outlined below. To be eligible for assistance, each project shall comply with the minimum improvement value. The improvement value, which excludes the purchase price of a property, determines the percentage of tax exemption on the increase of assessed valuation as a result of the project. The corresponding payroll generation value then determines the number of years an abatement is provided.

Projects must add substantially to the taxable real property value in order to realize significant savings through an abatement. Projects involving new construction, significant expansions, and major rehabilitation (i.e. gutting/reconstructing the interior of a building) will generally add substantial taxable value. Smaller remodeling projects, such as replacing roofing, windows, siding, flooring, appliances, or furnishings may not result in any change in taxable value and are thus discouraged from applying for CRA benefits.

Variance to Thresholds

These thresholds are meant to be guidelines to determine the amount/term of each incentive. For projects that are determined by the Village to have a major impact on the community, the amount and term of the incentive may be increased beyond the stated thresholds. However, it shall be the intent to remain within these thresholds when feasible, and exceptions shall be made only for special circumstances.

Below is a list of guidelines by which requests for CRA tax incentives will be reviewed by the Village:

- The project should create substantial community value.
- Wages and benefits must be competitive and commensurate with similar positions in the community.
- Payroll calculations must include employee salaries, wages, and benefits.
- Special consideration will be given to the redevelopment of existing vacant buildings by new businesses where investment threshold(s) may be waived.
- New buildings shall be of durable construction that makes a positive aesthetic, long-term contribution to the Plain City landscape, streetscape, and overall community image.
- The project must comply with all applicable Village development regulations.
- The business must be willing to enter into a signed agreement with the Village containing reporting requirements and job creation thresholds.
- The business does not owe any delinquent taxes or payments to the State of Ohio or a political subdivision of the State, including the Village of Plain City.

CRA THRESHOLDS

COMMUNITY REINVESTMENT AREA #1 – UPTOWN DISTRICT THRESHOLDS
Eligible projects include both commercial ventures, such as retail stores, restaurants, shops, and mixed-use developments, and owner-occupied single-family residential units or duplexes. Projects must conform to zoning regulations.

Abatement terms are negotiated on a case-by-case basis with consideration of the thresholds provided below. The Village understands that many commercial projects in the Uptown District involve small retail, restaurant, and office uses that typically offer lower levels of new job creation and payroll. Additionally, it is aware that projects may involve speculative tenant situations, where employment projections can be difficult to forecast until a tenant has been identified.

Given the importance of continued economic development in the Uptown District, the Village acknowledges that pledged employment and payroll projections may serve as guidance for evaluating projects seeking CRA benefits. The Village will maintain flexibility in its approach, understanding the challenges associated with forecasting employment and payroll in such context.

Residential Projects

- Residential projects are eligible to receive incentives only in CRA #1 - Uptown District.
- The term and rate of residential incentives are not to exceed 40%, 5-years.
- There are no payroll or job creation requirements for residential projects.
- Projects that involve the renovation of residential units within a commercial building located in the downtown area will be treated as commercial projects.

CRA #1 (Uptown District) Residential

Minimum Investment – Renovations	$100,000	* excludes purchase of property
Minimum Investment – New Builds	$250,000	* excludes purchase of property

Residential New Builds

Investment Amount	Exemption	Term (Yrs)
$ 250,000	40%	5

Residential Renovations

Investment Amount	Exemption	Term (Yrs)
$ 100,000	40%	5

CRA #1 (Uptown District) Commercial Renovations

Minimum Investment*	$350,000	* excludes purchase of property
Minimum Job Creation	5 FTE	
Minimum New Payroll	$150,000	

Investment Amount	Exemption
$350,000 - 499,999	75%
$500,000+	100%

New Payroll	Term (Yrs)	FTE Guidance
$100,000 - 139,999	7	5 - 7
$140,000 - 199,999	8	7 - 10
$200,000 - 249,999	9	10 - 16
$250,000+	10	16+

CRA #1 (Uptown District) Commercial New Builds

Minimum Investment*	$750,000	* excludes purchase of property
Minimum Job Creation	5 FTE	
Minimum New Payroll	$150,000	

Investment Amount	Exemption	Term (Yrs)
$ 750,000	100%	10
$1,000,000+	100%	12

CRA #1 Limited Commercial Renovations

Smaller projects that address major aesthetic issues, health and safety concerns, and outstanding code violations, that may not heavily contribute to employment and payroll generation, may receive benefits on a case-by-case basis as determined by the Village.

Minimum Investment*	$100,000	* excludes purchase of property
Minimum Job Creation & Payroll	Waived	

Investment Amount	Exemption	Term (Yrs)
$ 100,000	40%	5

COMMUNITY REINVESTMENT AREA #2 AND #3 – THRESHOLDS

Eligible projects include commercial and industrial developments, such as retail stores, restaurants, shopping centers, office buildings, manufacturing facilities, warehouses, and mixed-use development. Unless otherwise negotiated, restaurant and retail projects may not exceed a term of 7-years. Projects must conform to zoning regulations. Terms are negotiated on a case-by-case basis with consideration of the thresholds provided below.

CRA #2 and #3 Commercial and Industrial New Builds and Renovations

Minimum Investment*	$1,500,000	* excludes purchase of property
Minimum Job Creation	10 FTE	
Minimum New Payroll	$500,000	

Investment Amount	Exemption
$ 1,500,000 - 2,499,999	75%
$ 2,500,000 - 4,999,999	85%
$ 5,000,000+	100%

New Payroll	Term (Yrs)	FTE Guidance
$ 500,000 - 699,999	8	10 - 14
$ 700,000 - 999,999	9	14 - 20
$ 1,000,000 - 2,499,999	10	20 - 50
$ 2,500,000 - 4,999,999	11	50 - 100
$ 5,000,000+	12	100+

OTHER CRA CONSIDERATIONS

Application and Review Process

- Project Consideration: The Village reserves the right to consider each project on its own merits.

- Application Requirement: Businesses seeking incentives will be required to complete an application to assist the Village in its review of the project. Application fees, if applicable, will be due at time of submission.

- Projection Requirements: Businesses will be held to the pledged employment, payroll, and investment totals outlined in their applications and subsequent abatement agreements. It is important that each applicant provides projections that are reasonable and realistic. Note: These projections apply to the entire building subject to the abatement agreement. In projects where the applicant or entity receiving the tax abatement is not the primary tenant, such as multi-tenant buildings, projections will be assessed collectively across all tenants.

Tax Benefits and Agreements

- Effective Tax Benefits: Tax incentive benefits will become effective in the first year following adjustments to the property tax bill, as determined by the County Auditor's Office.

- School District Agreements/PILOT: The business or developer may be required to execute PILOT agreements or other compensation agreements with the Jonathan Alder Local School District. Failure to make required compensation payments is cause for revocation of the incentive. Please refer to the "School Districts" section of this policy for more information.

Reporting and Compliance

- Annual Reporting: An annual report must be filed by the business for each year the tax incentive is active. The annual report will be reviewed by the Village and Housing Council and provided to the Ohio Department of Development.

- Employment Reporting: Businesses whose employment base is deemed to be transient in nature (i.e., retail, restaurants) will be required to report the total number of W2s issued throughout each calendar year, as well as the number of employees currently employed as of 12/31, as part of the annual report. This will assist the Village in assessing the stability of the business and account for any fluctuations in employment.

- Tax Form Filing: The business must file appropriate tax forms as required by Ohio law.

- Obligations: If obligations are not fulfilled pursuant to the tax incentive agreement, including any related agreements in place with the Board of Education, the modification, suspension, or termination of the tax incentive may result.

Tenant Scenario

In the event that a project involves a developer undertaking a project where the building will be leased to a third-party tenant, the following standards apply:

- Job Creation & Payroll: Unless otherwise specified and reflected in the incentive agreement, it is generally understood that the developer itself is not the direct cause of job creation and payroll.

- Data Collection: The developer is responsible for collecting annual employment data on behalf of the Village. This data is required not only for annual reporting purposes but also for monitoring compliance with any employment-related requirements in the agreement.

- Best Efforts: Developers should strive to secure tenants that significantly contribute to job creation and payroll.

CRA BOUNDARIES

CRA #1 UPTOWN

CRA #2 US-42 N

CRA #3 US-42 S

NEW COMMUNITY AUTHORITY

The Village believes that the sustained well-being of the community relies on responsible and strategic growth. The Village will thoroughly evaluate requests to establish NCAs, recognizing the uniqueness of each case. As such, requests will be handled on a case-by-case basis, taking into account various factors, including:

Economic Impact
- Support of job creation and new investment.
- Improvement of the community's economic competitiveness.
- Impact on existing businesses.

Infrastructure Development
- New, expanded, or upgraded utility infrastructure.
- Transportation improvements that alleviate existing traffic concerns, prevent future traffic issues, and enhance connectivity.

Community Facilities and Parks
- Construction of new community facilities, public safety facilities, and parks.

Fiscal Responsibility
- Review of the NCA's financial plans, including the issuance of bonds for specific projects and the collection of special taxes within the designated NCA area.
- Financial impacts on other taxing authorities, particularly school districts.

Defined Scope and Duration
- Proposed scope and duration of the NCA.
- Acknowledgement that the NCA's authority is temporary and tied to specific improvements.

Governance and Accountability
- Governance structure proposed for the NCA, including the appointment of a board of trustees.
- Transparency, accountability, and adherence to agreements between the Village and the NCA board.

OTHER PROGRAMS

IMPACT FEE REDUCTION

Certain industrial or office projects that align with the Village's economic development goals may be eligible for a partial reduction of roadway, safety, park, and zoning development impact fees. Water and sewer capacity fees are not eligible for reduction. The primary advantage for businesses participating in this program is the ability to realize cost savings during the initial stages of development, rather than waiting for tax abatement benefits to accrue over several years. For the community, this approach ensures that the Village and other taxing authorities receive the full benefit of property and income taxes, rather than forgoing tax revenue over an extended period.

To be eligible for this program, projects must meet at least three (3) of the following criteria:

1. Creation of more than 50 jobs
2. Private investment exceeding $5,000,000
3. An average annual salary exceeding $75,000 per employee
4. A total annual payroll for created or retained jobs of at least $3,750,000
5. Inclusion in a target industry identified by the Village

The specific amount of the reduction will be recommended by Village administration and is subject to approval by Village Council. In exceptional circumstances, Village Council may consider additional incentives for projects deemed to have a significant positive impact on the community.

FIRE SUPPRESSION SYSTEM FEE REDUCTION

For commercial, office, or upper-level residential projects within the Uptown Plain City Historic District that exceed $250,000 in renovation costs or $500,000 for new construction and require a second water line for a fire suppression system, the Village may grant a waiver of up to 100% of the system capacity fee for the second water line. The specific reduction amount will be recommended by Village administration and is subject to approval by Village Council.

ANNEXATION ENHANCEMENT PROGRAM

The Annexation Enhancement Program (AEP) is designed to foster sustainable and cohesive development, greenspace preservation, and farmland conservation along the village's periphery. On a case-by-case basis, and based on priority properties, the Village may offer targeted incentives and benefits to property owners considering annexing into the Village of Plain City. The specific incentives will be recommended by Village administration and is subject to final approval by Village Council via a Pre-Annexation Agreement.

Potential benefits include:

- Payment of annexation legal fees, survey costs, etc.
- Waiver of 1.5% income tax payments for specific period of years
- Reimbursement of increase of property taxes for specific period of years
- Waiver of public water & sewer connection requirement
- Same or protective zoning upon annexation
- Waiver of rezoning fees upon annexation
- Name recognition of any future parkland developed on site
- Assistance with utility payments
- Assistance with closing costs upon sale of property
- Listing of property on "no development" registry; signage

COMMERCIAL CORRIDOR IMPROVEMENT PROGRAM

The Commercial Corridor Improvement Program (CCIP) provides financial assistance to eligible commercial property owners and businesses for qualifying exterior building and site improvements. The purpose of the program is to support the revitalization of the Village's commercial corridors by stimulating private investment in high-quality improvements that enhance the appearance of buildings and properties, eliminate blight, address non-conforming design standards, and stimulate private investment. The program is available on a case-by-case basis and is based on identified priority properties. The specific benefit amount will be recommended by the Village administration and is subject to approval by the Village Council.