**Members:** Brian Ashton, Chair

Michael Brillhart

Adam Miller

Mr. Ashton called the meeting to order at 7:15 p.m. All members were present.

The minutes of the March 21, 2022, Community Development Committee meeting were approved as written.

**Legislation Discussed:**

Temp. Res. A-101

**Discussion:**

**Temp. Res. A-101**

A resolution accepting the recommendations of the Tax Incentive Review Council and the Community Reinvestment Area Housing Council concerning Enterprise Zone and Community Reinvestment Area tax exemption agreements within the City of Cuyahoga Falls, and declaring an emergency.

Ms. Mary Spaugy, Deputy Community Development Director, presented Temporary Resolution A-101 to Council. The City of Cuyahoga Falls has designated certain areas within the city as Enterprise Zones and as Community Reinvestment Areas. Pursuant to these statutes, the City of Cuyahoga Falls has entered into Enterprise Zone and Community Reinvestment Area tax exemption agreements with various property owners in the mentioned areas for the abatement of portions of the property owners’ real property taxes as incentives for the businesses and homeowners to invest in the community. The City has established a Tax Incentive Review Council and a Community Reinvestment Area Housing Council for the purpose of annually assessing whether each owner of property exempted from taxation pursuant to a tax exemption agreement has complied with the agreement.

The Tax Incentive Review Council is required to annually submit written recommendations to Council concerning whether each tax exemption agreement subject to its review should be continued, amended or terminated. Council has received the recommendations of the Tax Incentive Review Council and the Community Reinvestment Area Housing Council relative to tax exemption agreements in effect in tax year 2021. R.C. §5709.85 requires the legislative authority of a local government granting Enterprise Zone or Community Reinvestment Area tax exemptions to continue, amend or terminate all or any portion of the recommendations of its Tax Incentive Review Council.

**Residential CRA Agreements**

An annual review of each residential tax abatement is conducted at the beginning of each year. During this review, they are checked to ensure that the property is owner-occupied, taxes are paid in full, and if the parcel has been transferred during the course of the previous tax year (the tax abatement will follow new ownership throughout the length of the abatement period). This information is presented to the CRA Housing Council in March of every year for their review. At this meeting, members vote to continue or discontinue each tax abatement based on these criteria. Residential tax abatements are typically continued by the members. Below is a brief overview of the residential tax abatements for tax year 2021:

**River CRA District**

There are currently 4 residential tax abatements that receive a 75% abatement for 7 years. These are single-family homes. Ordinance 95-2004 stipulates the percentage and length of the tax abatement for residential tax abatements for new construction within the River CRA District. This was designed to incentivize new construction on the east side of the City. There are also 12 units located in the Watermark building on South Front Street that were provided a 50% tax abatement for 15 years. The extended length of these abatements was approved by Ordinance 95-2010 and was done to incentivize new construction on South Front Street. These tax exemptions will expire at the conclusion of tax year 2028.

**Northern CRA**

There are currently 103 active residential tax abatements in the Northern District, 1 pending abatement that will become active in tax year 2022, and 1 parcel that has not yet applied for the tax abatement. These are single-family homes located in the Preserve at Salt Creek. All units receive a 50% abatement for 10 years. The abatement begins during the first tax year after the county issues a final building permit for construction. These tax abatements were approved by Ordinance 114-2010. The earliest tax abatement will terminate at the conclusion of tax year 2026 and the pending tax abatement will conclude at the end of tax year 2031.

**Commercial Tax Abatements**

Commercial tax abatements are provided through both enterprise zone agreements or a community reinvestment area agreement. These tax abatements are reviewed annually by the Tax Incentive Review Council (TIRC). During this review, TIRC votes to continue, amend, or discontinue each agreement. TIRC met on August 22, 2022 and voted to continue all of the City's commercial tax abatements. Below is a brief overview of these abatements.

**Enterprise Zone Agreements**

All enterprise zone agreements are administered by the County. There are currently two active enterprise zone agreements in the City (SGS Precision Tools/Kyocera, and Williams Land Corporation).

**Community Reinvestment Area Agreements**

There are currently 4community reinvestment areas located within the City: 1. State Road,

2. Cuyahoga River, 3. Northern, and 4. the newest area, Portage Trail Midtown. Collectively there are 17 active community reinvestment area agreements and 3 pending community reinvestment area agreements. At the beginning of each year, they request documentation from each company to determine whether the business is in compliance with their respective executed agreement with the City (payroll and employee figures as promised, and any scholarship monies paid to the schools, if applicable) and that all property taxes are current. All 17 active agreements were in compliance for tax year 2021. Two of the pending CRA agreements will become active in tax year 2022 (CL Partners, LLC and Parfait Properties).

Mr. Ashton thanked Ms. Spaugy for taking the time to discuss with this him last week. He asked if there were changes from the previous year. Ms. Spaugy stated that there are not.

Mr. Gorbach stated that, coming out of Covid in 2021, he is sure a lot of these companies were still experiencing some struggle as far as lower revenue and labor being hard to get. Looking at their capital investment, as well as their payroll, it is nice to hear that they met them or are within the 10 percent and remarkably close given those challenges. It speaks to the fact that when Council is asked to vote on these and when the Administration is looking at presenting companies with these that they are doing it with a keen eye and with a vision that there is confidence that these companies are going to be able to succeed and meet these requirements and, also, that the companies are given reasonable expectations as to what they can achieve, so it's all good news.

Mrs. Spinner asked about the one property that is not being included. Ms. Spaugy stated that there is one property in Salt Creek that they have attempted to give an application on file for her to receive the tax abatement, but she has not responded to two or three letters from them and a call from the Fiscal Office. Mrs. Spinner asked what happens once this passes. Ms. Spaugy stated that she would have to look into that. She does not believe that she would be able to apply for it once construction is complete. They approve the housing and the residency CRA agreement once the final building permit has been issued. Once that is issued and they have been paying taxes for a few years, they could certify it with the Fiscal Office.

Mr. Balthis stated that when the Administration brings and Council approves tax abatements, these are not taken lightly and there is follow‑up and there is accountability. He is happy to know they were able to reach agreements and they were able to keep their end of the bargain. It is great that they were able to help. Having this much activity and having 100 percent of meeting the goals is impressive. He thanked the Community Development Department for all their hard work in managing this program and using it for the benefit of the residents.

Mr. Miller moved to bring out Temp. Res. A-101 with a favorable recommendation, second by Mr. Brillhart. Motion passed (3-0).

The meeting adjourned at 7:22 p.m.