



COMMUNITY REINVESTMENT TAX EXEMPTION PROGRAM

What is the “Community Reinvestment Area” (CRA) Tax Exemption Program?

The City of Painesville provides a unique tax incentive plan to owners and developers who wish to upgrade their properties by either renovation or new construction, in certain targeted areas of the City.

Who is Eligible for the CRA Tax Exemption?

Owners of property within the four (4) designated “Community Reinvestment Areas (CRAs)” of the City of Painesville (*see attached map*) may be granted real property tax abatement on any increase in property valuation resulting from new construction or remodeling of existing structures. This includes residential, commercial, or industrial facilities.

If, after viewing the map, you are uncertain as to whether or not your property is within one of the four (4) CRAs, please call the City of Painesville Economic Development Department (440-392-5795), for clarification.

When Can I Apply for a CRA Tax Exemption?

You may apply for CRA tax abatement at the completion of the construction or remodeling project. It is important to keep copies of all documents detailing expenditures associated with your construction or remodeling project, as this information must be submitted with your application.

To receive the full benefit of your abatement, you are encouraged to file for the abatement *before the cost of the improvement or new structure is reflected on the Lake County tax role*. **You must file by December 1 in the year the construction is completed to be exempt for the following year.**

How Do I Apply for a CRA Tax Exemption?

1. Obtain an “Application for Community Reinvestment Area Tax Exemption”. You may pick up an application at Economic Development Department located on the second floor of Painesville City Hall, 7 Richmond St., Painesville, or call (440-392-5795) to request that an application be mailed to you.
2. Determine if your property is located within one of the four (4) Community Reinvestment Areas shown on the map on the back of the CRA tax exemption application.
3. Complete Section “A” of the application and mail it, with a legal description of the property and documentation verifying the costs associated with the project, to:

City of Painesville
Economic Development
PO Box 601
Painesville, OH 44077

When your completed application is received by the City of Painesville, it is reviewed for completeness, and the allowable abatement term is determined.

Then, your application is forwarded to the Real Estate Division of the Lake County Auditor’s office, for certification. A copy of the abatement-certified application is then returned by the Auditor’s office to The City of Painesville. Shortly thereafter, you will receive an official notification from the City that your request for abatement has been approved and certified by the Lake County Auditor, from the City of Painesville Economic Development Department.

When Does the Tax Abatement Begin?

The tax abatement begins in the year following the calendar year in which the certification is made to the Lake County Auditor; *i.e., if you have applied for, and been awarded, an abatement during the 2005 calendar year, your abatement will be applied to your tax bill in the Year 2006, payable in Year 2007.*

How Much is My Tax Abatement and How Long Will It Last?

The amount and length of tax abatements are determined by the property classification, location, and the value and use of the property, taking into account the increase in property value, as determined by appraisal of the Lake County Auditor.

Table 1.

COMMUNITY REINVESTMENT AREAS 1, 2, 3 and 4 excluding Painesville Industrial Park (see Table 2.)			
Type of Structure	Type of Construction/Improvement	Minimum Cost of Remodeling/New Construction Required to Qualify for an Abatement	Abatement Term*
Existing dwelling for 1 or 2 families (single or duplex)	Remodeling of <i>existing</i> structure [Examples: Re-do of kitchen, bathroom, restructuring of interior space; new structural components: frame, walls, floors, ceilings, windows, doors, roof, insulation, etc.]	\$2,500.00	Area 2 -----10 yrs @ 75% Area 3 ----10 yrs @ 100% Area 4 ---100% first year, depreciating 10% yearly thereafter
Existing dwelling for 3 or more families (commercial multi-family)	Remodeling of <i>existing</i> structure [Examples: Re-do of kitchen, bathroom, restructuring of interior space; new structural components: frame, walls, floors, ceilings, windows, doors, roof, insulation, etc.]	\$5,000.00	Area 2 -----10 yrs @ 75% Area 3 ---12 yrs @ 100% Area 4 ----N/A
Existing commercial structure (retail)	Remodeling of <i>existing</i> structure [Examples: Re-do of kitchen, bathroom, restructuring of interior space; new structural components: frame, walls, floors, ceilings, windows, doors, roof, insulation, etc.]	\$5,000.00	Area 2 -----10 yrs @ 75% Area 3 ---10 yrs @ 100% Area 4 ----N/A
Existing industrial structure (industrial)	Remodeling of <i>existing</i> structure [Examples: Re-do of kitchen, bathroom, restructuring of interior space; new structural components: frame, walls, floors, ceilings, windows, doors, roof, insulation, etc.]	\$5,000.00	Area 2 -----10 yrs @ 75% Area 3 ---10 yrs @ 100% Area 4 ----N/A
New structure (single, duplex, multi-(3+) family dwelling; commercial; industrial)	Construction of <i>previously non-existent</i> structure [Examples: dwelling, garage, storage building, store, restaurant, factory, warehouse, or an addition to any of the previous.	N/A	Areas 1 & 4 ---Residential 10 years @ 100% first year, depreciating 10% yearly thereafter. Areas 1 & 3 --10 yrs @100% Area 2 -New Structure 8 yrs @ 75%

Table 2.

COMMUNITY REINVESTMENT AREA 1 Painesville Industrial Park an Renaissance Business Park			
Type of Structure	Type of Construction	Minimum Cost of Remodeling/New Construction Required to Qualify for an Abatement	Abatement Amount & Term
All existing or new structures	Construction of <i>previously non-existent structure</i> , or remodeling of <i>existing structure</i> .	N/A	Term: 10 years 100% per year.

*The City of Painesville reserves the right to vary abatement terms and rates on a "per project" basis. Table 1 and Table 2 are general guidelines. The Economic Development Department will determine the actual abatement term and percentage allowed.



**ECONOMIC DEVELOPMENT DEPARTMENT
7 Richmond St., PO Box 601, Painesville, OH 44077
APPLICATION FOR COMMUNITY REINVESTMENT AREA (CRA) TAX EXEMPTION
SECTION A. TO BE COMPLETED BY APPLICANT (Please type or print)**

1. _____
Name of real property owner _____ Date of application _____
2. _____
Address of subject property _____ Permanent parcel # _____
3. Does this property currently have an abatement? Yes _____ year initiated _____ No _____
4. Exemption is sought for:
a. (check one) New Structure _____ Remodeling _____
(Previously non-existent structure) (Alterations to existing structure)
b. (check one) 1- or 2-family dwelling _____; 3+- family dwelling or commercial/retail _____; industrial _____
5. If "industrial", how many permanent jobs will be created in the new facility after construction is completed? _____
6. Community Reinvestment Area # _____ [See map]
7. Date of project completion _____
8. Does this project involve a structure of historical or architectural significance (check one)? Yes _____ No _____
If "YES", please attach written certification of such by the designating agency or authorized agent.
9. Total cost of construction \$ _____ [Please attach documentation of same.]
10. _____
Signature of real property owner making application for tax abatement
11. _____
Name of contact person filling out this application, if different from "1" and "10".
12. _____
Address _____ Telephone # _____

SECTION B. TO BE COMPLETED BY The City of Painesville

13. Legal description of property location _____
14. Verification of CRA: Area 1 _____ Area 2 _____ Area 3 _____ Area 4 _____
15. Effective date of appropriate local resolution _____ Resolution No. _____
16. Verification of construction: New Structure _____ Remodeling _____
17. Project meets requirements for an exemption under ORC 3735.67 (A) _____ (B) _____ (C) _____
18. a. Project involves structure of historical or architectural significance: Yes _____ No _____
b. Written certification of appropriateness of the remodeling has been submitted by the designating agency or authorized agent: Yes _____ No _____
19. Period of exemption for this improvement _____

I certify that the project described hereon meets the necessary requirements of the Economic Development Department, The City of Painesville, for a Community Reinvestment Area Program tax exemption. For the City of Painesville:

Name and Title _____ Date _____
(Application to be filed with Lake County Auditor)