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MENTOR VILLAGE COMMUNITY REINVESTMENT AREA (CRA) GUIDELINES FOR COMMERCIAL PROJECTS

The Mentor Village Community Reinvestment Area (CRA) was created to encourage new construction or building renovation through property tax abatement on the investment. The CRA roughly extends on either side of Center Street from Johnnycake Ridge Road to Nowlen Street and along Mentor Avenue from Jackson Street/Little Mountain Road to Hollycroft/Garfield Road. The area includes both residential and commercial properties fronting on those streets. The abatement can be used in combination with the Mentor Incentive Grant (MIG) or Economic Development (ED) grant, revolving loan program, MEACO SBA loans, or State loans and incentives.

A property owner must make an "approved" investment in an existing building or new construction and create or maintain a payroll at an agreed upon level to receive the abatement. The abatement agreement will identify the nature of the project and estimated cost of improvements as well as plans and/or elevations of the building improvements. The applicant must specify the starting payroll and future payroll estimates. The larger the initial payroll, the longer the duration of the abatement. The percentage of the abatement will be determined by the amount of investment being made.

PERCENT OF ABATEMENT

In order to qualify, a property owner must invest in excess of \$300,000; projects "valued" less than this amount will generate modest property tax liabilities for which only a minimum percentage would be incentivized. The percentage of the abatement is based upon the "market value" of the investment (excluding land value) but will not exceed 50% of the improvement value. City will differentiate between the investments in a building renovation versus new construction. The "market value" of the project must correspond with that amount shown on the building permit or otherwise explained.

DURATION OF ABATEMENT

The duration of the abatement is determined by the initial and projected payroll but will not exceed ten years. For speculative "developer owned" projects, payroll estimates will be reviewed.

APPLICATION PROCEDURE

Complete and submit the application to the Economic and Community Development Department where it will be reviewed for completeness. An offer letter will be prepared subject to City Council approval. The project **can not** proceed without official action by Council. Once the project is complete and a Certificate of Occupancy issued, the property can file for the abatement. The City advises the school district that an application has been filed, once a ten (10) day period has expired; the application is forwarded to the County Auditor's office. The abatement is always for property taxes the following year, payable the year after that.