

# Specimen Document under Law Dept Review

## SUPPLEMENTAL COMMUNITY REINVESTMENT AREA (CRA) APPLICATION FOR TAX EXEMPTION

Municipal File No. \_\_\_\_\_

County File No. \_\_\_\_\_

The Ohio Revised Code requires that projects receiving CRA tax abatement make payments to the local school district in all instances in which the annual payroll of *new employees* at the site is One Million Dollars (\$1,000,000.00) or more. Cities are required to file periodic reports regarding job creation and tax abatement to the State of Ohio. In order that the City of Toledo can comply with these requirements and in consideration for the tax abatement requested, the undersigned (“CRA Applicant”) \_\_\_\_\_, states and/or certifies, as the context indicates, the following:

1. The location of the real property on which the improvements are being made (“Site”) is:  
\_\_\_\_\_.
2. The projected cost of the Improvements is \$\_\_\_\_\_. Of this projected cost, construction labor is projected to be \$\_\_\_\_\_.
3. Nature of business/industry: \_\_\_\_\_.
4. (a) The total number of persons employed at the Site by either CRA Applicant or tenants for the two years previous to making the Improvements is (if none, write “none” or “0”):

<b>Year</b>	<b>Number of Employees</b>
_____	_____
_____	_____

- (b) In the spaces provided below please project the employment level and employee payroll at the Site for each of the following ten (10) years.

TAX ABATEMENT YEAR	EMPLOYMENT LEVEL	PROJECTED PAYROLL ALL EMPLOYEES	PROJECTED PAYROLL NEW EMPLOYEES ONLY
20_____		\$	\$
20_____		\$	\$
20_____		\$	\$
20_____		\$	\$
20_____		\$	\$
20_____		\$	\$
20_____		\$	\$
20_____		\$	\$
20_____		\$	\$
20_____		\$	\$
20_____		\$	\$
20_____		\$	\$

5. CRA Applicant agrees to update these projections upon request by the City during the term of the real property tax abatement.
6. CRA Applicant shall provide the City of Toledo with a certified projected employee payroll (“Projected Payroll”) annually during the duration of the real property tax abatement. The Projected Payroll shall be submitted to the City of Toledo no earlier than the 15<sup>th</sup> day of November and no later than the 1<sup>st</sup> day of December each year and shall project the employee payroll for that calendar year and identify the portion of the payroll attributable to *new employees*.
7. Each year in which the Site receives tax abatement and the *new employee* payroll at the site is One Million Dollars (\$1,000,000.00) or more, CRA Applicant shall advise the City of Toledo of the projected annual *new employee* payroll as of the 15<sup>th</sup> day of December of each year in which the projected *new employee* payroll at the Site is One Million Dollars (\$1,000,000.00) or more. A “*new employee*” is an employee to which both of the following statements are true:
  - (1) the employee was not employed at the Site prior to the completion of the improvements; and
  - (2) the employee was not subject to municipal income taxation by the City of Toledo due to employment by the current employer within the past two years.
8. During such time as the CRA Applicant receives real property tax abatement as a result of the Improvements to the Site, the CRA Applicant shall provide the City of Toledo, Department of Development with copies of the W-3 forms and any other employee payroll/with-holding tax records which it furnishes to the City of Toledo, Department of Taxation (“Tax Compliance Information”). The Tax Compliance Information shall be provided for the purpose of enabling the City of Toledo to verify whether the *new employee* payroll exceeds One Million Dollars (\$1,000,000.00) during any year in which real property tax abatement occurs and to determine the correct payroll figure on which to base a CRA Applicant’s payment to the school district as may be required by paragraph 9 of this document. CRA Applicant must verify, in a manner acceptable to the City of Toledo, that CRA Applicant has satisfied the requirements of paragraph 9 of this document. CRA Applicant may redact from such Tax Compliance Information any confidential data such as names, addresses, and social security numbers of the employees comprising the Tax Compliance Information for each calendar year shall be provided to the City Department of Development on or before January 22nd of the following year. The CRA Payment shall be adjusted and any discrepancy paid by or refunded to the City based on the Tax Compliance Information.
9. CRA Applicant acknowledges Ohio Revised Code Section 5709.82 and agrees that it shall assist and participate in any negotiations with a school district that may be required by law. CRA

Applicant further agrees to assume any and all responsibility that the City may have for income tax sharing with the school district.

- 10. CRA Applicant certifies, acknowledges and understands the City of Toledo’s Living Wage Ordinance and further certifies that it will comply in all respects with the Living Wage Ordinance to the extent such ordinance is applicable to it. (See “Applicability of Living Wage Provisions to Financial Assistance Recipients” attached hereto.)

The undersigned, being the \_\_\_\_\_ of (CRA Applicant) \_\_\_\_\_, in furtherance of the application for Community Reinvestment Area Tax Abatement, hereby certifies that the foregoing information setforth in Paragraph 1-3 above is true and correct to the best of his or her knowledge, certifies compliance with the Living Wage Ordinance, and agrees to the provisions setforth in paragraphs 4-8 above.

By: \_\_\_\_\_

Title: \_\_\_\_\_

State of Ohio )  
 ) ss:  
County of Lucas )

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, by \_\_\_\_\_.

\_\_\_\_\_  
NOTARY PUBLIC, STATE OF OHIO

**APPLICABILITY OF LIVING WAGE  
PROVISIONS TO FINANCIAL ASSISTANCE RECIPIENTS**

1. The living Wage is either:
  - (a) \$11.82 per hour or 110% of the updated federal poverty level for a family of four, whichever is greater, *plus* single coverage health benefits that cost the employee less than 15% of his/her monthly wages; **OR**
  - (b) \$13.97 per hour or 130% of the updated federal poverty level for a family of four, whichever is greater, without health care coverage benefits
2. The living Wage provisions apply to covered financial assistance recipients receiving \$100,000 or more from the City (or pursuant to an agreement with the City) in the form of bond financing, tax increment financing, tax abatement, grants, funding, and in-kind assistance. (Loans that must be repaid are NOT considered "financial assistance" except to the extent that they are forgiven or discounted below the market rate). ( See new TMC §187.24(c) ).
3. The Living Wage provisions apply to financial assistance recipients with 50 or more employees, but do not apply to financial assistance recipients with 49 or fewer employees. The number of employees is determined as of the end of the previous quarter.
4. Contractors, subcontractors, and tenants of covered financial assistance recipients must also comply.
5. Financial assistance recipients that fall within the guidelines set forth above must pay a Living Wage to their employees (and employees of their contractors, subcontractors and tenants) working at a site or spending 50% or more of their time on the project or portion of business that receives City financial assistance.
6. The City will give preferential status for job creation and retention assistance to businesses that engage in "responsible labor relations" (e.g. lack of recent NLRB charges, no recent strikes, etc.) ~ new TMC §187.12(b). (Agreements for such assistance should contain wording reflecting that determination).
7. All City contracts to which the Living Wage provisions apply shall contain the following wording:

**The City of Toledo Living Wage Requirements, set forth in Toledo Municipal Code §187.24(c), §187.36, §187.37, §187.38, §187.39 and §187.40 apply to this contract and to all subcontracts entered for the performance of this contract. Upon notification of a violation of any of those requirements, the contractor will have thirty (30) days to bring itself and/or its subcontractors into compliance.**

**At the end of the thirty (30) day period, if a violation exists, the City of Toledo may terminate the contract and pursue any other legal remedies. If a contractor violates the Living Wage provisions a second time, all City contracts with that contractor shall automatically terminate and no new contracts shall be entered for a five (5) year period. (See Toledo Municipal Code §187.38(C) ).**

8. Each covered contract shall contain the following wording:

**RETALIATION AGAINST ANY EMPLOYEE CLAIMING VIOLATION OF THE  
CITY OF TOLEDO LIVING WAGE PROVISIONS IS EXPRESSLY  
PROHIBITED SUCH RETALIATION SHALL BE GROUNDS FOR**

**TERMINATION OF THIS CONTRACT AND/OR REJECTION OF FUTURE  
BIDS. (See Toledo Municipal Code §187.38(D)).**

9. Each covered employer (and its contractors, subcontractors and/or tenants) shall both post and distribute a notice printed in both English and Spanish and stating the following:

**THIS EMPLOYER IS SUBJECT TO THE LIVING WAGE.  
EMPLOYEES DIRECTLY WORKING UNDER A CITY OF TOLEDO  
CONTRACT, OR EMPLOYEES WORKING AT A SITE OR ON A PROJECT TO  
WHICH CITY OF TOLEDO FINANCIAL ASSISTANCE HAS BEEN GIVEN, IS  
ENTITLED TO BE PAID A "LIVING WAGE" AS DEFINED BY THE TOLEDO  
MUNICIPAL CODE.**

**A. "Living Wage" is:**

- (1) \$11.67 per hour or 110% of the updated federal poverty level for a family of four plus making available single health coverage in an amount not to exceed 15% of the employee's monthly wages;**
- (2) \$13.79 per hour or 130% of the updated federal poverty level for a family of four, without health care coverage benefit.**

**EMPLOYEES MAY REPORT VIOLATIONS OF TOLEDO'S LIVING WAGE  
LAW TO:**

**THE CITY OF TOLEDO LIVING WAGE REVIEW COMMITTEE  
C/O CITY OF TOLEDO OFFICE OF CONTRACT COMPLIANCE  
ONE GOVERNMENT CENTER, SUITE 1900  
TOLEDO, OHIO 43604.**