

Tax incentive program pumps \$200M into Dayton

Ohio's CRA program is helping city offer tax benefits to attract new businesses.



Construction on the AC Hotel by Marriott — a \$23 million new hotel located across from Day Air Ballpark, home to the Dayton Dragons — is benefitting from Ohio's Community Reinvestment Area program.
CORNELIUS FROLIK / STAFF

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CLOSER LOOK

Dayton last year approved property tax abatements for new construction and renovation projects for 15 residential and commercial properties that are expected to result in more than \$200 million in new investment.

“Lots of great investment (is) occurring as a result of these incentive programs,” said Dayton City Manager Shelley Dickstein.

Ohio's Community Reinvestment Area (CRA) program provides property tax breaks to property owners and developers who construct new buildings or renovate existing structures in special districts.

The tax exemptions can last as long as 15 years and can be worth up to 100% of the increased value of new construction or property improvements.

"This tax benefit helps to leverage new investment into city neighborhoods where investment has been limited or nonexistent," said Cynthia Long, senior development specialist with the city of Dayton.

Exemptions for commercial properties must be negotiated, as local school districts stand to lose out on property taxes they would otherwise receive from new projects and property enhancements.

The exemption percentage and terms for commercial and industrial projects must be negotiated, and usually impacted school districts must provide consent through negotiated agreements if the proposed exemption exceeds 50%, says the Ohio Department of Development.

Dayton is home to 17 Community Reinvestment Areas, including three that have been established in the last five years.

The Dayton City Commission recently approved a resolution accepting the recommendations of the Tax Incentive Review Council.

The advisory board's recommendation was to continue CRA exemptions for 248 residential properties and 23 commercial properties in the city.

In 2021, Dayton processed CRA applications for seven new commercial renovation and construction projects and eight residential projects.

The commercial projects could lead to more than \$186 million in new investment, while the value of the residential improvements could top \$20 million, according to a report by the Tax Incentive Review Council.

CRA commercial projects approved last year include the construction of a

new 124-unit apartment building called the Monument at 140 E. Monument Street in downtown Dayton, which is estimated to be a \$26.7 million investment.

A new hotel at 418 E.

First St. — the AC Hotel by Marriott — also was approved for tax breaks.

The estimated project value is nearly \$23 million.

Crawford Hoying and Woodard Development, the Water Street District developers who are behind the new AC Hotel and Monument apartments, also are renovating the massive Mendelsons liquidation outlet building into a mix of uses, including apartments, offices, retail and restaurant spaces.

Crawford Hoying pledged to invest more than \$82 million into the building, now called “The Delco,” which is across the street from Day Air Ballpark, where the Dayton Dragons play.

Developers were approved for 15-year, 100% abatements on the increased assessed values of the new hotel, apartment and Delco developments.

Crawford Hoying first reached compensation agreements with the Dayton Public Schools.

Another commercial project approved for CRA exemptions is a new laundry facility being built in West Dayton for Economy Linen and Towel Service. The company’s pledged investment is \$22.5 million, and the project received a 15-year, 100% exemption.

A 12-year, 100% exemption also was approved for a new food hall in the Wright Dunbar business district, called West Social Tap & Table (a \$1.8 million project).

Dayton City Commissioner Chris Shaw said CRA exemptions financially impact the Dayton school district and the city needs to be cautious and mindful when deciding whether to approve the incentives.

“I think we have seen some significant results, in terms of investment but also job creation,” said Shaw, who is a member of the Tax Incentive Review Council.

“We don’t want to give tax breaks for development, but it’s a very important tool.”

He added, “Where we do have to use these tools, we want it to be effective and we want to see a return on investment — and we’re really seeing that.”

The residential properties that are receiving CRA tax exemptions primarily are concentrated in downtown, Webster Station, Old Dayton View, the Oregon District, Twin Towers, South Park and the St. Anne’s Hill neighborhoods.

Homeowners and community members who own properties in Dayton’s CRA districts can find more information about the program by contacting at Cynthia.long@daytonohio.gov or 937-333-3624.

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