



Ohio Revised Code

Section 122.09 Transformational mixed use development tax credit.

Effective: November 25, 2025

Legislation: House Bill 434

(A) As used in this section:

(1) "Development costs" means all expenditures paid or incurred by the property owner in completing a certified transformational mixed use development project including acquisition costs and all costs incurred before the project is certified by the director of development.

(2) "Eligible expenditures" means certain expenditures paid or incurred by the property owner in completing a certified transformational mixed use development project after the project is certified by the director of development, including architectural or engineering fees, due diligence costs, hard and soft construction costs, paid or incurred in connection with the project and architectural and engineering fees and due diligence costs incurred before the date the project is certified by the director of development under division (C) of this section.

(3) "Property owner" means a person or persons holding a fee simple or leasehold interest in real property, including interests in real property acquired through a capital lease arrangement, and a person or persons in contract to acquire real property with the only remaining contractual contingency being receipt of an award under this section. "Owner" does not include the state or a state agency, or any political subdivision as defined in section 9.23 of the Revised Code. For the purpose of this division, "fee simple interest," "leasehold interest," and "capital lease" shall be construed in accordance with generally accepted accounting principles.

(4) "Transformational mixed use development" means a project that consists of eligible expenditures for new construction or the redevelopment, rehabilitation, expansion, or other improvement of vacant buildings or structures, or a combination of the foregoing, and that, inclusively:

(a) Will have a transformational economic impact on the project site;

(b) Integrates at least two of the following uses into one mixed use development:



- (i) Office;
- (ii) Residential;
- (iii) Retail, which may include restaurant space;
- (iv) Hotel and hospitality;
- (v) Recreation.

(c) Satisfies one of the following criteria:

- (i) If the project site is located within ten miles of a major city, the project includes at least one new or previously vacant building that is fifteen or more stories in height or has a floor area of at least three hundred fifty thousand square feet, or after completion will be the site of employment accounting for at least five million dollars in annual payroll, or includes two or more buildings that are connected to each other, are located on the same parcel or on contiguous parcels, and that collectively have a floor area of at least three hundred fifty thousand square feet;
- (ii) If the project site is not located within ten miles of a major city, the project includes at least one new or previously vacant building that is two or more stories in height or has a floor area of at least seventy-five thousand square feet or two or more new buildings that are located on the same parcel or on contiguous parcels and that collectively have a floor area of at least seventy-five thousand square feet.

A "transformational mixed use development" does not include a project located wholly or partially in a transformational major sports facility mixed-use project district as defined in section 123.28 of the Revised Code.

(5) "Increase in tax collections" means the difference, if positive, of the amount of state and local taxes estimated to be derived from economic activity occurring within the project site, but excluding any other phases of the development project for developments completed in phases, during the



completion period minus the amount of such taxes that are estimated to be derived from such economic activity in that site during the same period if the transformational mixed use development project were not certified by the director of development and completed.

(6) "Completion period" means the time period beginning on the day after a transformational mixed use development project is certified by the director of development and ending on the fifth anniversary of the day the project is completed.

(7) "Contribute capital" means to invest, loan, or donate cash in exchange for an equity interest in an asset, or a debt instrument.

(8) "Major city" means a municipal corporation that has a population greater than one hundred thousand.

(9) "Project site" means the land, and improvements thereon, upon which a transformational mixed use development will be constructed, which consists of a single parcel or multiple parcels that are contiguous with one another, including parcels separated only by a publicly dedicated road.

(B) The property owner of one or more parcels of land in this state within which a transformational mixed use development project is planned may apply to the director of development for certification of the development project and preliminary approval of a tax credit in an amount up to ten per cent of the estimated eligible expenditures. Each application shall be filed in the form and manner prescribed by the director and shall, at minimum, include a development plan comprised of all of the following information:

(1) The location of the project site and an indication of whether it is located within ten miles of a major city;

(2) A detailed description of the proposed transformational mixed use development project including site plans, elevations, construction drawings, architectural renderings, or other means sufficient to convey the appearance, size, purposes, capacity, and scope of the project;

(3) A viable project budget supported by construction hard cost estimates, organized by line item,



that estimates the development costs and eligible expenditures that have been or will be incurred in the completion of the project;

(4) A viable financial plan showing both (a) at least fifty-one per cent of the needed funding secured, as evidenced by commitment letters, letters of intent, or terms sheets and third party equity verification, and (b) a strategy for obtaining any needed but not yet secured funding;

(5) An estimated schedule for the progression and completion of the project;

(6) An assessment of the projected newly created economic impact of and from the project based upon the projected increase in tax collections during the completion period at the project site, excluding economic activity existing at the time of or before certification of the development project and preliminary approval of a tax credit, prepared by an economic impact consultant with experience performing economic impact studies in Ohio and reviewed by an independent third party reviewer retained by the director of development to ensure accuracy, uniformity, consistency, and fairness;

(7) Evidence that the increase in tax collections during the completion period will exceed ten per cent of the estimated eligible expenditures reported under division (B)(3) of this section;

(8) The portion of any tax credit issued that the applicant would like issued to the property owner or to an insurance company, financial institution, or other person based upon capital contributions that have been made or will be made to the project;

(9) Evidence that, but for the applicant's receipt of the credit, the project will not be completed. If any portion of the project the applicant seeks certification and preliminary approval for has commenced construction, excluding brownfield remediation and demolition, or the project has closed on construction financing, this division's standard is not met and the project is not eligible for certification and preliminary approval.

(C)(1) In determining whether to certify a project that is the subject of an application submitted under division (B) of this section, the director of development shall consider the potential impact of the transformational mixed use development on the project site in terms of architecture, accessibility to pedestrians, retail entertainment and dining sales, job creation, and revenue from sales, income,



lodging, and property taxes. The director shall not certify a project unless it satisfies the following conditions:

- (a) The project qualifies as a transformational mixed use development project and satisfies all other criteria prescribed by this section or by rule of the director;
- (b) The estimated increase in tax collections from the project site during the completion period exceeds ten per cent of the estimated eligible expenditures for the project reported under division (B)(3) of this section;
- (c) The applicant will not be able to (i) close on construction financing, (ii) commence construction, excluding any brownfield remediation or demolition that may have already been performed, and (iii) complete the project unless the applicant receives the credit;
- (d) If the project site is located within ten miles of a major city, the estimated eligible expenditures to complete the project exceed fifty million dollars.

In making a determination of whether or not to approve an application, the director may conduct an interview of the applicant.

(2) If the director of development approves an application, the director shall issue a statement certifying the associated transformational mixed use development project and preliminarily approving a tax credit. The statement shall stipulate that issuance of a tax credit certificate is contingent upon completion of the transformational mixed use development project as described in the development plan for the project. The statement shall specify the estimated amount of the tax credit preliminarily approved and the amount of credit preliminarily approved for each person identified in the application pursuant to division (B)(8) of this section, but state that the amount of the credit is dependent upon determination of the actual eligible expenditures attributed to the project.

The amount of the credit shall not exceed the amount applied for in the application approved by the director.



(3) The total estimated amount of the tax credit shall equal up to ten per cent of the estimated eligible expenditures for the project as reported in the project development plan pursuant to division (B) of this section. The estimated credit amounts may be reduced by the director of development as a condition of certifying the project if such a reduction is necessary to comply with the limitations on the amount of credits that may be preliminarily approved as prescribed by division (C)(5) of this section. The estimated credit amounts shall not be adjusted after the statement described in division (C)(2) of this section has been issued, except as provided by division (G) of this section.

(4) If the director of development denies an application, the director shall notify the applicant of the reason or reasons for such determination. The director's determination is final, but an applicant may revise and resubmit a previously denied application in a future year.

(5)(a) The director of development may not preliminarily approve more than one hundred twenty-five million dollars of new estimated tax credits in each of fiscal years 2026 and 2027. The director shall not preliminarily approve any dollar amount of new estimated tax credits under this section in any fiscal year after fiscal year 2027 unless specifically authorized by an act of the general assembly.

Tax credits preliminarily approved under this section in preceding fiscal years and for which preliminary approval was rescinded in the fiscal year immediately preceding the current fiscal year shall be available for preliminary approval under this section in the current fiscal year. Credit amounts available due to such rescission do not apply towards the one hundred twenty-five million dollar limit prescribed in this division.

(b) Except as provided in division (C)(6) of this section, not more than eighty-five million dollars of estimated new tax credits, plus an amount equal to two-thirds of any credits for which preliminary approval was rescinded in the preceding fiscal year, may be preliminarily approved in connection with projects that are located within ten miles of a major city in the current fiscal year.

(c) Not more than twenty million dollars of estimated tax credits may be preliminarily approved in connection with the same transformational mixed use development project.

(6) If, for the current fiscal year, the dollar amount of tax credits applied for under division (B) of this section in connection with projects that are not located within ten miles of a major city exceeds



forty million dollars, plus an amount equal to one-third of any credits for which preliminary approval was rescinded in the preceding fiscal year, the director of development shall rank those applications and certify and preliminarily approve tax credits for the associated projects in order, pursuant to division (C)(7) of this section. If the dollar amount of tax credits applied for under division (B) of this section in connection with such projects is less than that amount, the difference shall be available for projects within ten miles of a major city.

If, for the current fiscal year, the dollar amount of tax credits applied for in connection with projects located within ten miles of a major city exceeds eighty-five million dollars, plus an amount equal to two-thirds of any credits for which preliminary approval was rescinded in the previous fiscal year and the amount of funds initially reserved for projects more than ten miles from a major city but unawarded to such projects, the director shall rank those applications and certify the associated projects in order, pursuant to division (C)(7) of this section.

(7) When ranking is required under division (C)(6) of this section, the director of development shall compare applicant projects that are within ten miles of a major city to other applicant projects that are within ten miles of a major city, and the director shall compare applicant projects that are more than ten miles outside of a major city with other applicant projects that are more than ten miles outside of a major city. The director shall apply a point value to applications according to the following criteria:

(a) Up to ten points based on comparative measurement of physical scope of the projects as measured by gross square footage of vertical improvements including new construction and renovated space. The largest project in terms of physical scope shall receive ten points and the remaining projects shall receive points based on a percentage basis in proportion to each project's relative size as compared to the largest project in that location category, by gross square footage.

(b) Up to five points based on a comparative measurement of the density of the new project as measured by a building to land ratio using the gross square footage of new construction and renovated space and the gross land square footage of the project parcels excluding submerged land. The highest ratio in terms of building to land ratio shall receive five points and the remaining projects shall receive points based on a percentage basis in proportion to each project's relative ratio as compared to the highest project ratio.



- (c) Up to ten points based on an evaluation of the distribution of project end uses, with preference given to projects with greater variety and distribution of uses;
- (d) Up to fourteen points based on the project's receipt of necessary government approvals and local support, available as follows:
 - (i) Two points for zoning approval or evidence, in the form of a letter from the governmental body with jurisdiction over the zoning of the project site, that the project site already has the necessary zoning for the project;
 - (ii) Two points for planning commission approval or evidence that planning commission approval is not required;
 - (iii) Two points available for existing utility connections or commitments to establish utility connections including water, sewer, sanitary storm, and electric documented by utility service letters;
 - (iv) Two points for an approved and executed development agreement with each municipal corporation or township in which the development project is proposed;
 - (v) Two points for approved construction drawings and issuance of construction permits for the entirety of the scope of work set forth in the application;
 - (vi) Up to two points available for letters in support of the project and the application. One point is available for a letter in support of the project and the application from the mayor, city manager, or other chief executive of each municipal corporation or township, and one point is available for a letter in support of the project and the application from the chief executive of each county, where the development project is to be located.
 - (vii) Two points available for documented financial support for the project from each municipal corporation or township in which the project is located, which may include tax increment financing or creation of a community reinvestment area under section 3735.66 of the Revised Code.



(e) Up to ten points based on the committed funding sources as a percentage of total development costs. A project that has funding commitments for all projected development costs shall receive ten points, and projects with funding commitments for less than all projected development costs shall receive a number of points based on the relative amount of committed funding compared to total development costs of the given project.

The funding commitments may take into account the monetized value of the certificate applied for under this section so long as the applicant provides a letter of intent or commitment to purchase that certificate if issued. Letters of intent or loan commitments are required to earn points for any financing that is a funding source in this category and any such letter of intent or loan commitment may be subject to the receipt of an award under this section.

(f) Up to five points based on purchase or lease commitments from end users for the space created by the project. Projects that have received commitments for all space shall receive five points, and projects with less than all end users committed shall be allocated points based on the relative square footage of committed space compared to total project square footage.

(g) Up to ten points for projects in areas of higher relative walkability as measured by the United States environmental protection agency's walkability index for the project's census tract with projects in areas designated as the highest level of walkability receiving ten points and projects in areas with lower levels of walkability receiving proportional points;

(h) Up to five points based on a comparative measurement of total retail, entertainment, and dining sales to be generated by the project. Projects generating the largest return on investment shall receive five points, and the remaining projects shall be allocated points based on relative return on investment in comparison to the highest scoring project in this category.

(i) Up to five points based on a comparative measurement of the total new payroll to be generated by the project. Projects generating the largest return on investment shall receive five points, and remaining projects shall be allocated points based on relative return on investment in comparison to the highest scoring project in this category.

(j) Up to twenty points based on a comparative measurement of the total sales, income, lodging, and



property taxes to be generated by the project. Projects generating the largest return on investment shall receive twenty points, and remaining projects shall be allocated points based on relative return on investment in comparison to the highest scoring project in this category.

(k) Up to six points for community impacts, available as follows:

- (i) Two points for evidence that the project supports the vision and goals stated in the local master plan or other economic development strategy adopted by the local jurisdiction;
- (ii) Two points for the projects that provide community gathering, event, park, or other similar space open to the public. Projects that incorporate public space that accounts for ten per cent or more public space relative to the total square footage of all project end uses will receive two points. Projects that incorporate public space that accounts for less than ten per cent but greater than zero per cent public space relative to the total square footage of all project end uses will receive one point.
- (iii) Two points for projects that include remediation of a brownfield or the rehabilitation of a building or structure that is one hundred per cent vacant for the twelve months immediately preceding the date of application. As used in this division "brownfield" has the same meaning as in section 122.6511 of the Revised Code.

(8) When calculating the economic impact of a project previously completed and future phases of a phased development are not permitted to be included in the economic impact analysis or scoring.

(D) Within twelve months of the date a project is certified, the property owner shall provide the director of development with an updated schedule for the progression and completion of the project and documentation sufficient to demonstrate that construction of the project has begun. If the property owner does not provide the schedule and documentation or if construction of the project has not begun within the time prescribed by this division, the director shall rescind certification of the project and send notice of the rescission to the property owner. A property owner that receives notice of rescission may submit a new application concerning the same project under division (B) of this section.

(E) An applicant that is preliminarily approved for a tax credit under this section may sell or transfer



the rights to all or a portion of that credit to one or more persons. The applicant shall notify the director of development upon selling or transferring the rights to the credit. The notice shall identify the person or persons to which the credit was sold or transferred and the credit amount sold or transferred to each such person. A credit may be divided among multiple purchasers through more than one transaction and any person to whom the right to claim all or a portion of a credit was transferred may transfer that right, in whole or in part, to another person.

(F)(1) The property owner shall notify the director of development upon completion of a certified transformational mixed use development project. The notification shall include a report prepared by a third-party certified public accountant that contains a detailed accounting of the actual development costs and eligible expenditures attributed to the project.

(2) Upon receiving such a notice, the director of development shall issue a tax credit certificate to each applicant, or other person identified in the application pursuant to division (B)(8) of this section, that is preliminarily approved for a credit associated with the project.

(G) The value of the tax credit certificates issued in connection with the transformational mixed use development project shall be computed as the lesser of the amount preliminarily approved for the tax credit or ten per cent of the actual eligible expenditures attributed to the project.

(H) The aggregate value of all tax credit certificates issued under this section for the same transformational mixed use development project shall not exceed (1) ten per cent of the actual eligible expenditures of that project or (2) the estimated credit amount preliminarily approved by the director of development in connection with the project.

(I) Issuance of a tax credit certificate under this section does not represent a verification or certification by the director of development of the actual eligible expenditures of the project. Such amounts are subject to inspection and examination by other state agencies.

(J) Upon the issuance of a tax credit certificate under this section, the director of development shall certify to the superintendent of insurance and the tax commissioner (1) the name of each person that was issued a tax credit certificate, (2) whether a person acquired the rights to the tax credit certificate from the property owner, (3) the credit amount shown on each tax credit certificate, and (4) any other



information required by the rules adopted under this section. A person that holds the rights to a tax credit certificate issued under this section may claim a tax credit under section 5725.35, 5726.62, 5729.18, or 5747.87 of the Revised Code, subject to any limitations in those sections.

(K) The director of development shall publish information about each transformational mixed use development on the web site of the department of development not later than the first day of August following certification of the project. The director shall update the published information annually until the project is complete and the credit or credits are fully claimed. The published information shall include all of the following:

- (1) The location of the transformational mixed use development and the name by which it is known;
- (2) The estimated schedule for progression and completion of the project included in the development plan pursuant to division (B)(4) of this section;
- (3) The assessment of the projected economic impact of the project included in the development plan pursuant to division (B)(5) of this section;
- (4) The evidence supporting the estimated increase in tax collections included in the development plan pursuant to division (B)(6) of this section, except that the director may omit any proprietary or sensitive information included in such evidence;
- (5) The estimated eligible expenditures that have been or will be incurred in completion of the project;
- (6) A copy of each report submitted to the director of development by the applicant under division (D) of this section.

(L) The director of development, in accordance with Chapter 119. of the Revised Code, shall adopt rules that establish all of the following:

- (1) Forms and procedures by which applicants may apply for a transformational mixed use development tax credit, and any deadlines for applying;



- (2) Criteria and procedures for reviewing, evaluating, ranking, and approving applications within the limitations prescribed by this section, including rules prescribing the timing and frequency by which the director of development must rank applications and preliminarily approve tax credits under division (C) of this section;
- (3) Eligibility requirements for obtaining a tax credit certificate under this section;
- (4) The form of the tax credit certificate;
- (5) Reporting requirements and monitoring procedures;
- (6) Procedures for computing the increase in tax collections within the project site;
- (7) Any other rules necessary to implement and administer this section.