



## Business Incentives to Help You Locate Your Next Expansion in Ohio

Further information can be found at

<http://www.development.ohio.gov/Business/EconomicDevelopment.htm>

### Finding and Getting Your Site Ready for Business – Site Development Assistance

**Site Selection Assistance:** Using OhioSites.com and a network of local economic development organizations, assistance is available to help identify industrial site and building opportunities for new business investment projects. Information on available properties is maintained by a partnership between state and local economic developers, and is available 24-7 online at [www.OhioSites.com](http://www.OhioSites.com).

**Roadwork Development (629) Account:** Available for public roadway improvements, including engineering and design costs. This fund is available for projects primarily involving manufacturing, research and Development, high technology, corporate headquarters, and distribution activity. Projects must typically create or retain jobs. Grants are usually provided to the local jurisdiction and require local participation.

**Ohio Water Development Authority – Local Economic Development Fund:** Low-interest financing is available to communities for public water and sanitary sewer improvements. Loans are made directly to local communities on favorable interest rates and terms.

**Community Development Block Grant:** Federal grant funds are available through the state to assist with public road, water, and sanitary sewer improvements specifically benefiting economic development projects. Job creation must be involved, and companies must commit to hiring at least 51 percent of employees from low- to moderate-income populations in the county where the project is located.

### Building Your Facility and Buying Your Equipment – Low-Interest Loans and Grants

**166 Direct Loan:** Direct loan financing is available to help finance manufacturing and other eligible facilities. Eligible uses for funding including: new building construction, building acquisition, and acquisition of machinery and equipment. Amounts of financing are usually set at 30 percent of the project cost to a maximum of \$1 million, subject to an increase by the Director of Development, with a minimum loan amount of \$350,000. The rate is fixed (currently at 3 percent), with terms similar to those of commercial bank financing. Eligible projects must involve significant job creation or retention.

**Regional 166 Direct Loan:** Provides loans for land and building acquisition, construction, expansion or renovation, and equipment purchases for eligible businesses. Twelve local economic development agencies administer the program. The Regional 166 Direct Loan program was created to promote economic development, business expansion, and job creation by providing financial assistance for eligible projects in the State of Ohio. It provides low-interest loans up to \$350,000 to businesses willing to commit.

**Innovation Ohio Loan Fund:** Provides loans for acquisition, construction, and related costs of technology, facilities and equipment purchase. The fund was created to assist existing Ohio



companies develop next-generation products and services within certain Targeted Industry Sectors. The Innovation Ohio Loan Fund provides competitive financing terms on loans to finance projects that will positively impact Ohio by creating high-value jobs, increasing tax revenues, and improving the economic welfare of Ohio.

**Ohio Enterprise Bond Fund:** Revenue bond financing is available through this S&P AA- (double A-minus) rated fund, whereby proceeds from the sale of bonds is loaned to companies for fixed rate, long-term capital asset financing. Rates are fixed depend on the type of bond issued, while terms are between 7 to 10 years for equipment and 15 to 20 years for real estate. Up to \$10 million in financing is available through this program.

**Research and Development Investment Loan Fund:** Direct loan financing of between \$1 million and \$25 million is available for projects primarily engaging in research and development activity. Rates are fixed (currently at 3 percent), with terms similar to those of commercial bank financing. Companies receive a dollar-for-dollar, nonrefundable Ohio commercial activity tax credit for all principal and interest payments during the year.

**Rural Industrial Park Loan:** Provides direct loans to rural, distressed local communities, and applicants committed to creating well-planned industrial parks. The Rural Industrial Park Loan program was created to provide direct loans to local communities and applicants committed to creating well-planned industrial parks.

**Urban Redevelopment Loan:** Provides low-interest loans to municipalities or designated nonprofit economic development organizations to acquire real estate for assembly into developable parcels and remediate any brownfield contamination site to entice private business investment in distressed urban locations. The Urban Redevelopment Loan program was created to remove barriers to urban core redevelopment thereby promoting economic development and business expansion through financial assistance for eligible projects in Ohio.

**Rapid Outreach Grant:** Funds are for on- or off- site infrastructure improvements, including water, sewer, road, and rail improvements. Funds are often used for the acquisition of machinery and equipment. These funds are given to companies primarily engaged in manufacturing, research and development, high technology, corporate headquarters, and distribution. Given the demand for limited grant funds, qualified projects must involve substantial job creation or retention, and all other public and private sources of financing must be considered before the availability of Rapid Outreach funding is determined.

**Volume Cap:** Allows eligible issuers the ability to issue tax exempt Private Activity Bonds up to a state limit known as "Volume Cap," determined annually on a per capita basis for projects consisting of multi-family housing, single-family housing, exempt facilities, manufacturing, and student loan bonds.

**Community Services Block Grants:** Granted to non-profit Community Action Agencies. The agencies coordinate and link public and private resources, and focus these resources on specific poverty issues at the community level. Funds are expended for a broad range of services, which include: employment, education, income, management, housing, emergency services, nutrition, and linkages (information and referral counseling, outreach, senior services, and family development).

**Ohio Job Ready Sites Program:** Created to bolster our state's inventory of available facility locations served by utility and transportation infrastructure. Sites improved under the program are ready for future business prospects seeking locations for new or expanded operations. The State of Ohio will sell \$150 million in bonds during a seven-year period to fund the availability of Job Ready Sites program grant awards. The grants may be used to offset costs traditionally incurred in industrial and commercial site development, from acquisition of real property to utility upgrades to construction build-out of speculative facilities.



## Supporting Advanced Energy in Ohio

**Ohio Advanced Energy Fund:** Administered by the Ohio Energy Resources Division, connects companies and communities with financial and technical resources to deploy energy efficiency and renewable energy technologies, and to support advanced energy economic development.

**Ohio Energy Gateway Fund:** Provides investment for primarily existing companies to develop projects that support advanced energy in Ohio, focusing on wind, solar, geothermal, propulsion and aerospace. (To be announced 2010)

**Alternative Fuel Transportation Grant Program:** Improves air quality through grants to businesses, nonprofit organizations, school systems, or local governments for the purchase and installation of alternative fuel refueling, blending, or distribution facilities and terminals. Current incentives are focused on retail fuel distributors and school systems.

**State Energy Plan:** Administered by the Ohio Energy Resources Division, conducts special projects to promote awareness, develop capacity, deploy projects, and provide technical assistance, training, and outreach for renewable energy technologies, alternative fuels infrastructure, energy efficient buildings, fuel cells, and industrial process efficiency.

**Advanced Energy Stimulus for Ohio and Conduit Financing:** Administered by the Ohio Air Quality Development Authority, the Bipartisan Job Stimulus Package created a \$150 million advanced energy jobs stimulus fund. The Ohio Air Quality Development Authority has the ability to issue conduit bonds for projects that improve the air quality of the State of Ohio. Such projects include, but are not limited to, air pollution control, air pollution prevention, energy efficiency, advanced energy technologies, and the manufacturing of those technologies. The Ohio Air Quality Development Authority's can convey significant tax benefits to eligible projects.

## Finding and Training Your Employees – Workforce Development Funding

**Workforce Guarantee Program:** Under the umbrella of the Ohio Workforce Guarantee, the Ohio Department of Development Workforce and Talent Division provides a customized training grant program aimed at creating and retaining jobs via the improvement of worker skills and abilities in expanding industries and emerging technologies. The Ohio Workforce Grant accomplishes this goal by providing technical and financial assistance directly to employers engaged in worker training.

While the Ohio Workforce Grant has been used in a wide variety of economic incentive packages aimed at attracting and retaining Ohio jobs, the program's focus is on targeted industries, and funding training that results in transferable skills, as evidenced by portable credentials. Targeted industry sectors include Logistics, Information Technology, Advanced Manufacturing, Bioscience, Advanced Energy, Agriculture/Agribusiness, and Healthcare.

## Lower Your Ongoing Business Costs – State and Local Tax Incentives

**Community Reinvestment Areas:** Provides local real property tax incentives for residents and businesses that invest in designated areas of Ohio. In order to apply, the municipality or county must apply to the State Development Director for confirmation. Investors meeting the local criteria must apply to the municipality or county for the real property tax exemption.

**Enterprise Zones:** Provides real and personal property tax incentives for businesses that expand or relocate in Ohio. In order to apply, the municipality or county must apply to the State Development



Director for certification. To secure benefits, non-retail businesses must apply to the local community for local property tax exemptions and the director of Development for state income tax incentives.

**Job Creation Tax Credit:** A refundable tax credit to companies creating at least 25 new full-time jobs (within 3 years) in Ohio. The credit may also be available for certain high-wage industries creating 10 or more new full-time jobs within three years. The refundable tax credit is measured as a percentage of the state income tax withholdings for all new employees hired under the program, and is applied toward the company's commercial activity tax liability. Should the amount of the credit exceed the company's Commercial Activity Tax liability for any given year, the difference is refunded. Approved projects generally

range between a 25 and 55 percent credit for a period of five to seven years. The business must apply for the credit before committing to the project.

**Job Retention Tax Credit:** The Job Retention Tax Credit is a non-refundable tax credit to companies retaining at least 1,000 full-time jobs in Ohio. Companies must also commit to new fixed-asset investment of either \$100 million, if the average wages of the retained jobs exceeds 400 percent of the federal minimum wage (equal to \$20.60 per hour), or \$200 million, if the average wages of the retained jobs does not exceed 400 percent of the federal minimum wage. The credit is measured as a percentage of the state income tax withholdings for all employees retained under the program. Approved projects generally range up to 75 percent for 10 years. The business must apply for the credit before committing to the project.

**Research and Development Investment Tax Credit:** The Research and Development Investment Tax Credit is a non-refundable Ohio commercial activity tax credit for all investment in qualified research expenses incurred in Ohio. Qualified research expenses are based on Section 41 definitions in the United States. Internal Revenue Code and include expenses for both in-house and contract research expenses. The amount of the credit is based on 7 percent of the amount of all qualified investment in a specific year. The credit can be carried forward for up to seven years.