

# APPENDIX 1

## RESOURCES AND PROGRAMS

### Resources

#### Business Incentives Loans and Grants

- Community Development Block Grant (CDBG)
  - Project type: Gap financing for local business development
  - Rate/terms: \$500,000 maximum for direct loans and \$400,000 maximum for public infrastructure projects
  - Special notes: Loan repayments are deposited to county revolving loan fund for additional projects
- Geauga County Revolving Loan Fund (RLF)
  - Project type: Gap financing for businesses below prime rate
  - Rate/terms: Loan amount based on status of RLF, jobs created, public/private investment ratio, owner equity, and project feasibility
  - Special notes: Requires creation/retention of one job per \$25,000 invested, LMI persons to benefit
- Ohio Enterprise Bond Fund
  - Project type: Provides funding for land and building acquisition, construction, expansion or renovation, and equipment purchases for projects \$1.5 million to \$10 million in size
  - Rate/terms: Fixed rate for up to 20 years based on S&P A- for up to 90% of total project amount
  - Special notes: Must show repayment/management capabilities, document job creation/retention
- Ohio Qualified Small Issue Bond Program
  - Project type: Low interest financing for small manufacturing facilities
  - Rate/terms: Total capital expenditures cannot exceed \$10 million in a political subdivision, 15% of bond amount must be for rehabilitation of structure/equipment, maximum of 25% of bond proceeds for land acquisition, maximum of 25% of bond proceeds used for ancillary core manufacturing. Bonds are issued at interest rates historically between 3/4% and 3% below prime lending rates
  - Special notes: Relates to core manufacturing and ancillary facilities
- Mini-Loan Guarantee Program
  - Project type: Provides loan guarantees for fixed assets for small business start-up or expansion for projects \$100,000 or less
  - Rate/terms: Up to 45% guarantee of eligible bank loan, interest rate on state guaranteed portion of loan is 5.5% (current), maximum term of 10 years
  - Special notes: Small business with 25 or fewer employees

- 166 Loan Program
  - Project type: Loans to ongoing manufacturing firms for acquisition, renovation, purchase of machinery, or equipment
  - Rate/terms: Minimum loan of \$350,000 to a maximum of \$1 million, equal to or less than private lender funding; maximum rate of 2/3 prime; private lender required and 10% owner equity
  - Special notes: Requires creation/retention of at least one job per \$35,000 invested
- Small Business Administration (SBA) 504 Loan Program
  - Project type: Loans to small business for job creation/retention
  - Rate/terms: Minimum loan of \$50,000, maximum \$1.2 million not to exceed 40% of eligible costs; minimum 50% of project costs in private funding, minimum 10% owner equity; 10 year term for machinery/equipment, 20 years real estate; rate approximately 1% over U.S. Treasury bond rate
  - Special notes: Requires creation/retention of at least one job per \$50,000 invested
- Community Improvement Corporation (CIC) Industrial Revenue Bonds
  - Project type: Financing for fixed assets and equipment for manufacturing projects
- Microenterprise Business Development Program
  - Project type: Assist microenterprises that are for-profit, 5 or fewer employees, one of whom is the owner
  - Rate/terms: \$25,000 maximum grant
  - Special notes: Program pending
- Buckeye Fund Loan Program
  - Project type: Loans to ongoing firms in commerce, manufacturing, research/development, and distribution
  - Rate/terms: Blends the 166 Direct Loan with the Ohio Enterprise Bond Fund
- Pollution Prevention Loan Program
  - Project type: Loans to ongoing manufacturing firms for pollution prevention equipment
  - Rate/terms: Minimum loan \$25,000, maximum \$350,000 up to 75% of eligible costs; private lender and 10% owner equity required; up to 7 year term; rate at 2/3 prime
  - Special notes: Must demonstrate job retention
- Business Development 412 Account
  - Project type: Grants to induce companies (primarily manufacturing, research/development, high technology, corporate headquarters, and distribution) to move forward with projects involving on- and off-site improvements
  - Rate/terms: Must be “last resort” for funding
  - Special notes: Substantial local support and participation required. Job creation/retention required
- Roadwork Development 629 Account
  - Project type: Grants to induce companies (primarily manufacturing, research/development, high technology, corporate headquarters, and distribution) to move forward with projects involving public roadway improvements.
  - Rate/terms: Must be “last resort” for funding
  - Special notes: Substantial local support and participation required. Job creation/retention required. Engineering eligible.

- ❑ Ohio Industrial Training Program
  - Project type: Funding for manufacturing businesses for orientation, training, and related items
  - Rate/terms: Up to 50% funding. Job creation/retention required
- ❑ Manufacturing, Machinery, and Equipment Grant
  - Project type: Calculated in the same manner as the former tax credit program.
  - Rate/terms: Machinery and equipment must be new to Ohio, retooling qualifies if costs are capitalized for federal tax depreciation purposes
- ❑ Housing Related Programs
  - Homebuyers Assistance: Designed to assist moderate income families in making the transition from rental to homeownership. Qualified homebuyers are provided with down payment and closing costs required by private mortgage financing.
  - Housing Rehabilitation: Rehabilitation assistance may be through a deferred loan, low interest loan, or a combination thereof.
  - Emergency Home Repair: Supplies funds for emergency repairs for one or two deficiencies that may represent a threat to health and safety.
  - Infrastructure Loan: LMI homebuyers are offered a 0% interest loan to upgrade a well or on-site sewage system that has been mandated by the County General Health District.

### Tax Credits

- ❑ Ohio Job Creation Tax Credit (program changes to occur in 2008 due to CAT)
  - Project type: Refundable tax credit against Ohio corporate franchise/income tax
  - Rate/terms: Tax credit (up to 75%, up to 10 years) based on creation within 3 years of at least 25 new full-time jobs with minimum of 150% of federal minimum wage or 10 jobs at 400% of the federal minimum wage. Must maintain operations for twice the term of the credit
- ❑ Tax Increment Financing (TIF)
  - Project type: Permits payments in lieu of real property taxes to finance public infrastructure directly supporting a project with a “public purpose”
  - Rate/terms: Up to 75% of real property taxes can be exempted up to 10 years or up to 100% and 30 years with school board approval; payment in lieu of taxes required
  - Special notes: Program subject to local legislative discretion
- ❑ Research and Development Investment Tax Credit
  - Project type: Designed to encourage Ohio’s corporations to invest in increased research and development activities
  - Rate/terms: Nonrefundable tax credit. Will transfer to cover CAT on 2008
  - Special notes: Any excess tax credit not used in the taxable year in which it is earned may be carried forward for 7 years
- ❑ Research and Development Sales Tax Exemption
  - Project type: Sales tax exemption for machinery and equipment used in research and development
  - Rate/terms: Qualified research and development activities only
- ❑ Technology Investment Tax Credit
  - Project type: Offers a variety of benefits to taxpayers who invest in small research and development oriented firms

- Rate/terms: Maximum credit of \$37,500 per investment applied to personal income tax; annual dividends and interest payments combined may not exceed 10% of amount invested
- Special notes: Business must be focused on research and development technology
- Manufacturing and Machinery Sales Tax Exemption
  - Project type: Provides an exemption from state and county sales tax for companies that purchase machinery and equipment for manufacturing activities
  - Rate/terms: Provides significant tax savings due to exemption
  - Special notes: Includes machinery, equipment, supplies, and fuel used in manufacturing operation
- Warehouse Machinery and Equipment Sales Tax Exemption
  - Project type: Provides an exemption from state and county sales tax for companies that purchase eligible warehousing equipment.
  - Rate/terms: Provides significant tax savings due to exemption
  - Special notes: Includes machinery and equipment for warehousing, distribution, and direct marketing activities
- Warehouse Inventory Tax Exemption
  - Project type: Exemption from personal property tax on qualifying inventory
  - Rate/terms: 0%
  - Special notes: Exemption only applicable as long as there is tangible personal property tax assessed on inventory
- Ohio Export Tax Credit
  - Project type: Non-refundable franchise tax credit for increased export sales
  - Rate/terms: 10% tax credit on pre-tax profit from increased export sales. Ohio payroll or property values must have increased over previous 3 years
- Miscellaneous Economic Development Tools
  - Community Reinvestment Area (CRA): A CRA involves the exemption of local real property tax for new location/expansion by the county or a municipality within a specific territory. The abatement may be up to a 100% exemption (maximum to 15 years on new construction or 12 years for major renovation) of the value of the property improvement.
  - Joint Economic Development Districts (JEDD): JEDDs are special purpose districts allowed under Ohio law that involve the creation of a contract between a municipality and a township. JEDDs permit the levying of a district-wide income tax and the provision of municipal services in unincorporated areas. Except for limited circumstances, each contracting party must be contiguous to at least one other contracting party. The territory included in a JEDD must comply with the following requirements: the JEDD must be located within the territory of one or more of the contracting parties and may consist of all of that territory; the territory may not include existing residential areas or areas zoned for residential use; and the area may not include any land owned or leased to a municipal corporation or township, unless such municipal corporation or township is a contracting party or has consented to the inclusion of that land within the JEDD.
  - Cooperative Economic Development Agreements (CEDA): A CEDA is a contract authorized under Ohio law between one or more municipalities and townships for the purpose of facilitating economic development within the affected territory. A county may also be a party to a CEDA, with the consent of the other parties. The agreement

- may address, for example, the provision of joint services and permanent improvements, payment of service fees, issuance of bonds or notes including industrial revenue bonds, limitations on annexation, and limitations on tax abatements.
- Enterprise Zones: An Enterprise Zone is an area in which businesses may receive tax incentives in the form of tax exemptions on eligible new investments. A county or municipality may create such zones, however, a county zone requires the consent of the affected municipality or board of township trustees. Approval of the Ohio Department of Development is required as a part of the zone designation process. Within an unincorporated area, the tax exemption of real and/or personal property assessed values may be up to 60% for a maximum of ten years or an average of 50% over the term of the agreement on new investments in buildings, machinery/equipment and inventory and improvements to existing land and buildings for the specific project. In municipalities, exemption of real and/or personal property assessed values up to 75% for a maximum of 10 years or an average of 60% over the term of agreement is allowed.
  - Foreign Trade Zones: A Foreign Trade Zone is a site within the United States aligned with a U.S. Customs Service port of entry where merchandise is considered to be in the international commerce stream. Foreign and domestic merchandise may enter the zone without formal customs entry or the payment of customs duties. Exemption from state/federal use and excise taxes and personal property taxes on inventory is also available. There are two types of zones: general purpose and sub-zone. A general purpose zone includes multiple users (industrial park) and a sub-zone represents one plant or firm.
  - Port Authority: A port authority is a governmental agency created by a county and/or municipality under Ohio law. Port authorities have expanded their role in recent years to assist in local and regional economic development efforts. A port authority may act on behalf of a borrowing entity as a conduit issuer of special obligation revenue bonds. A port authority's development finance activities are self-supporting and operate solely on the revenues generated from financing transactions.

The following section provides an overview of state and local incentives and services available to businesses and/or local governments in order to advance economic development. This list is not meant to be exhaustive. In many cases a combination of these tools may be used in conjunction with one another to reach the objectives of the township.

#### State Business Incentive Loans & Grants

The Ohio Department of Development administers several loan and grant programs that are available to Ohio Businesses. Please visit their website for complete details: [www.odod.state.oh.us](http://www.odod.state.oh.us). The following represents a select few loans or grants that Ohio businesses may apply directly for or in conjunction with the local government.

- Ohio Enterprise Bond Fund:
  - Provides loans for land and building acquisition, construction, expansion or renovation and equipment purchases for eligible businesses.
- Volume Cap Program:
  - Federally authorized programs providing authority to issue tax-exempt bonds for select private (non-governmental) activities.

- 166 Direct Loan:
  - Provides loans for land and building acquisition, expansion or renovation, and equipment purchase.
- 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.
- Research & Development Investment Loan Fund Program:
  - The Research and Development Investment Loan Fund (R&D Fund) was created to promote economic development, business expansion and job creation by encouraging private-sector R&D investments. The R&D Fund provides assistance in the form of a low-interest loan, partnered with a tax credit.
- Linked Deposit Program:
  - Uses state deposits to encourage lending institutions to make low interest fixed asset and working capital loans to businesses with fewer than 150 employees.
- Ohio Qualified Small-Issue Bond Program:
  - Provides low-interest financing for small manufacturing facilities locating or expanding in Ohio that have or can obtain allocations of volume cap. Financing may be used for capital expenses and up to 2% of issuance costs. Bonds can be used to finance up to 100% of the cost of land, buildings and new equipment in new construction, and expansion or rehabilitation of industrial facilities. Interest rates are between  $\frac{3}{4}$  and 3% below prime rate.
- Clean Ohio Revitalization Fund:
  - Provides grants and loans to Ohio counties, municipalities, townships and port authorities for the cleanup of polluted properties so they can be restored to productive uses. Program is focused on both economic and environmental benefits of cleanup and projects that generate significant economic and community impact. Grant or loan to any one project cannot exceed \$3 million, and there is a 25% match.
- Research and Development Investment Fund:
  - Designed to position Ohio to compete aggressively for private-sector R&D investments that will create high-wage jobs. The \$200 million fund targets large investments from companies with significant assets and sales. The fund will be used aggressively to pursue research and development operations/facilities and fund the cost of capital purchases. The program funds 50% of eligible capital costs for companies making a minimum investment of \$10 million in fixed assets, and provides loans ranging in size of \$5 – \$25 million. Loan term is established to meet individual project needs but will fall within the 5 – 20 year term with a 3% – 5% fixed rate.
- Innovation Ohio Revolving Loan Fund:
  - The Innovation Ohio Revolving Loan Fund is a \$100 million revolving loan fund designed to help existing companies and new companies to the State invest in fixed assets for the purpose of developing new commercial products. The program finances fixed assets such as M & E, building improvements, computers and off the shelf software. Loans range from \$250,000 – \$5 million and finance 50% – 75% of total project costs.

## Local Business Services

The Geauga County Department of Community and Economic Development provide a variety of services to existing and/or prospective businesses within Geauga County. Local governments may also be eligible for these services as well. Please visit their website for more details at [www.geaugaced.com](http://www.geaugaced.com). Some of the services available include:

- ❑ Low interest loan funds to local businesses
- ❑ Community Development Block Grant funds including:
  - Water & sewer grant program
  - Formula program funds
  - Economic development program grants
  - Housing program grants
  - Fair housing program
- ❑ Database of available industrial building sites
- ❑ Industrial Revenue Bonds (IRB) capability in conjunction with the Geauga County Community Improvement Corporation (CIC)
- ❑ Community Reinvestment Area (CRA) tax incentive program
- ❑ Assistance locating Ohio Incentive Programs such as:
  - Job creation tax incentive programs
  - Manufacturing Equipment Tax Credit
  - State of Ohio Economic Development Financing

## Local Employment Resources

- ❑ WorkPlace is a consortium, or partnership, of six local agencies. The partners are: Geauga Job and Family Services, Auburn Career Center, Geauga Educational Service Center, Kent State University-Gauga Campus, the Ohio Department of Job and Family Services (formerly OBES), and the Ohio Rehabilitation Services Commission. All six agencies are involved in the business of supplying employment and training services to the residents of Geauga County. Most of these services are free. Website [www.geaugajfs.org/workplace.htm](http://www.geaugajfs.org/workplace.htm)
- ❑ Community Improvement Corporation (CIC)

## Special Economic Districts

Ohio allows for the creation of several special economic districts that can be used to generate revenue for project development or to facilitate the equitable sharing of tax revenues and the provision of services. Some of these tools include:

- ❑ Joint Economic Development Districts (JEDDs) – between municipalities, townships and/or unincorporated areas
- ❑ Cooperative Economic Development Districts (CEDAs) – between municipalities and townships that can include counties
- ❑ Tax Increment Financing (TIFs) – can be used by municipalities, townships, and counties

## **County and Regional Plans and Reports**

The following county and regional plans may be consulted by the township in order to obtain more information on land use, demographics, economic development, transportation matters, and environmental issues that may affect the community.

Geauga County General Plan: contains extensive information relating to census data, population and housing projections, housing needs, land capability/suitability for development, environmentally sensitive areas, parks and open space, historic and cultural resources, transportation, and other issues relating to the county. Available at:

[www.co.geauga.oh.us/departments/planning/general/tc.pdf](http://www.co.geauga.oh.us/departments/planning/general/tc.pdf)

Geauga County Farmland Preservation Plan: includes agricultural census data, mapping of prime soils identification of agricultural security areas, goals and objectives. Available at:

[www.co.geauga.oh.us/departments/planning/farmland/plan/farmland.htm](http://www.co.geauga.oh.us/departments/planning/farmland/plan/farmland.htm)

Geauga County Economic Analysis Plan: contains economic data about the county from the U.S. Census Bureau and other resources, provides a description of local and state programs, and sets forth recommendations. Available at:

[www.co.geauga.oh.us/departments/planning/econ\\_analysis/index.pdf](http://www.co.geauga.oh.us/departments/planning/econ_analysis/index.pdf)

Geauga County Industrial Directory: a detailed listing of industrial firms in the county provided by township and municipality; includes points of contact, products produced, and annual sales. Available at: [www.co.geauga.oh.us/departments/planning/industrial.pdf](http://www.co.geauga.oh.us/departments/planning/industrial.pdf).

Chagrin River Watershed TMDL Report: the Total Maximum Daily Load (TMDL) program established by the federal Clean Water Act is a quantitative assessment of water quality problems. It relates to the amount of pollutant reduction required to meet water quality standards, allocates pollutant load reductions, and actions that may be needed to restore the affected watercourse. Available at: [www.epa.gov/region5/water/wshednps/topic\\_tmdls.htm](http://www.epa.gov/region5/water/wshednps/topic_tmdls.htm).

Chagrin River Watershed Action Plan: The plan was devised by CRWP and includes an inventory of watershed resources and identifies and evaluates issues within the watershed. Goals are identified to protect high quality resources and to address problem areas. Available at:

[www.crwp.org/watershed\\_action\\_plan/watershed\\_action\\_plan.htm](http://www.crwp.org/watershed_action_plan/watershed_action_plan.htm)

NOACA Connections 2030: is the regional transportation plan to the year 2030 that outlines transportation issues, projects, goals and objectives for the five-county area of Cuyahoga, Lorain, Lake, Medina, and Geauga Counties. Available at: [www.noaca.org/2030connections.pdf](http://www.noaca.org/2030connections.pdf).