



Business Incentives to Help You Locate Your Next Expansion in Ohio

Further information can be found at
<http://www.odod.state.oh.us/EconomicDevelopment.htm>

Finding & Getting Your Site Ready for Business – Site Development Assistance

Site Selection Assistance: Using Ohio InSite 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 <http://www.ohiomeansbusiness.com/ohioinsite>.

Roadwork Development (629) Account: Available for public roadway improvements, including engineering and design costs. Funds are 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: Economic Development Program gives grants of federal funds to units of local government for economic development projects that create and/or retain permanent, private-sector job opportunities. Applications are accepted on an open-window basis and are evaluated in part on the basis of community distress, unemployment rate, and low- and moderate-income population. Other considerations include program effectiveness, job quality, and leveraging ratio of Program funds and overall community impact. The grants provide financial assistance through local governments to private entities (via loans) for economic development projects; and for public improvements directly related to business retention, expansion, or creation. Loan repayments from private entities are retained at the local level to capitalize Revolving Loan Funds for additional business assistance activities.

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

166 Direct Loan: Provides loans for land and building acquisition, construction, expansion, or renovation, and equipment purchases for eligible businesses. The Program provides low-interest loans up to \$1 million.

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. It provides low-interest loans up to \$350,000.



Community Services Block Grants: provides funds to 52 community action agencies throughout Ohio to reduce the causes and conditions of poverty by supporting job training, economic development, transportation, housing, emergency food, shelter, and health care service programs.

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 in developing next-generation products and services within Targeted Industry Sectors.

Ohio Advanced Energy Fund: Administered by the Ohio Energy Office, 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 Enterprise Bond Fund: Provides revenue bond financing through an S&P rated fund (currently AA-, "double A-minus"), whereby proceeds from the sale of bonds is loaned to companies for fixed-rate, long-term capital asset financing. Rates are fixed prior to funding, depending on the type of bond issued, with terms between seven to 10 years for equipment and 15 to 20 years for real estate. Up to \$10 million in financing is available through the Program.

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 kept ready for future business prospects seeking locations for new or expanded operations. The State of Ohio has awarded \$108.5 million in the first two funding rounds during Fiscal Year 2009. 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.

Rapid Outreach Grant: Funds are used for the acquisition of machinery and equipment, new building construction, building acquisition, on- or off-site infrastructure improvements and other fixed asset investments, 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.

Research & Development Investment Loan Fund: Provides loan financing of between \$1 million and \$5 million for projects primarily engaging in research and development activity. Rates are fixed (at or below market rates) with terms similar to those of commercial bank financing. Companies receive a dollar-for-dollar, non-refundable 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.

State Energy Plan: Administered by the Ohio Energy Office, 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.

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.



Volume Cap: Provides a federal tax benefit by allowing eligible issuers to issue tax exempt Private Activity Bonds up to a state limit known as the "Volume Cap." The State of Ohio's allocation of Volume Cap is determined annually by the Internal Revenue Service on a per capita basis for projects consisting of multi-family housing, single-family housing, exempt facilities, manufacturing, and student loan bonds.

Finding & Training Your Employees – Workforce Development Funding

Workforce Guarantee Program: Supports companies that are making investments in facilities, equipment, and training that result in the retention and creation of jobs for Ohioans. The Program is one of the few in Ohio that provides direct financial support to employers for training, paying for a portion of instructor salaries, materials, travel, and special needs. Ohio Workforce Guarantee Regional Coordinators are located at the Department's Regional Economic Development Offices located around the state and are ready to provide free assistance in preparing an application.

Lower Your Ongoing Business Costs – State and Local Tax Incentives

Community Reinvestment Areas: Provide companies locating in a designated Community Reinvestment Area an abatement of up to 100 percent for 15 years on real property taxes. To be eligible, a company must be making new real property investment and formalizing an agreement with the local community prior to going forward with the qualifying project.

Enterprise Zones: Provides real and personal property tax incentives for businesses that expand or relocate in Ohio. To establish an Enterprise Zone, a municipality or county must apply to the Director of Development for certification. To secure benefits, non-retail businesses must apply to the local community for local property tax exemptions and to the Director of Development for state income tax incentives.

Job Creation Tax Credit (JCTC): A refundable tax credit to companies creating at least 10 new jobs (within three years) and at least \$660,000 additional payroll in Ohio. The 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. A business must apply for the credit before committing to the project.

Job Retention Tax Credit (JRTC): The Job Retention Tax Credit is a non-refundable tax credit to companies retaining at least 500 full-time jobs in Ohio. Companies must also commit to a fixed-asset investment of \$50 million for most projects. The credit is measured as a percentage of the state income tax withholdings for all employees retained under the program. The tax credit rates for approved projects can be up to 75 percent for 15 years. A business must apply for the credit before committing to the project.

Research and Development Investment Tax Credit: The R&D Investment Tax Credit is a non-refundable tax credit up to 7 percent for qualified research and development expenses. Qualifying expenses fit into two categories: in-house research expenses and contracted research expenses. Any unused portion of a tax credit may be carried forward for up to seven years.