

ECONOMIC DEVELOPMENT INCENTIVE POLICY (EDIP)

UNION COUNTY, OHIO

JUNE 2006

AMENDED: OCTOBER 2008

AMENDED: JUNE 2015



**UNION COUNTY
MARYSVILLE**

ECONOMIC DEVELOPMENT



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Economic Development Incentive Policy

**Union County
City of Marysville
Village of Richwood
Village of Plain City
Village of Milford Center**

**Claibourne Township
Jerome Township
Millcreek Township
Paris Township
Union Township**

**Marysville Exempted Village School District
Fairbanks Local School District
North Union School District
Jonathan Alder Local School District
Union County Community Improvement Corporation**

Union County Community Improvement Corporation DBA Union County Economic Development Partnership

**June 2006
Amended: October 2008**

I. PURPOSE:

In an effort to promote business growth and development, create new jobs and payroll, retain existing companies and jobs, and encourage private investment, Union County, the City of Marysville, the Village of Richwood, the Village of Plain City, Village of Milford Center, Claibourne Township, Jerome Township, Millcreek Township, Paris Township, Union Township, the Marysville Exempted Village School District, the Fairbanks Local School District, the North Union School District, Jonathan Alder Local School District, hereinafter referred to as "Parties", in cooperation with the Union County Community Improvement Corporation (also known as the Union County Economic Development Partnership), hereinafter referred to as "CIC," have developed and adopted this Economic Development Incentive Policy (the "EDIP"). The EDIP will allow the CIC to represent each of the entities listed above in negotiations with companies that desire to expand or locate within Union County. The EDIP will also bring together these governmental units and the business community to form a unified economic development effort to improve Union County's economy.

It is the purpose of the EDIP to streamline the economic development incentive process so that the Economic Development Director can respond to businesses in a timely fashion. Accordingly, the EDIP provides thresholds in order to promote a more efficient, "business-like" approach to the economic development incentive process. It should also be understood that the EDIP is a guideline for negotiation purposes and that approvals by the Parties may be required as determined by law. For example, an

Enterprise Zone Tax Abatement Agreement requires formal approval by the appropriate jurisdiction and the County Commissioners and in some cases may require approval by the appropriate school district.

II. DEFINITIONS:

For the purposes of this agreement, the following terms shall be defined as follows:

- A. "Business" shall mean a private company.
- B. "Claw-back" shall mean a provision in an incentive that requires a company to pay back to the appropriate tax collecting agency the amount of the incentive if the company does not comply with the terms and conditions of an incentive agreement.
- C. "Developer" shall mean a person or company which is developing a property that will involve private investment or job creation.
- D. "Development" shall mean the proposed job creation, job retention, or private investment made by a company or developer. Development shall also mean a "project".
- E. "Economic Development Director" shall mean Union County's Economic Development Director or the Executive Director for the CIC.
- F. "Parties" or "Participating Organizations" shall mean those organizations or jurisdictions which enter into the EDIP including the CIC.
- G. "Project" shall mean the proposed job creation, job retention, or private investment made by a company or developer. Project shall also mean "development".

III. BACKGROUND:

In February 2003, Union County, Marysville, Plain City, and Richwood unveiled the Union County-Marysville Economic Development Action Plan (the "EDAP") that outlined seven core components essential for the economic viability of the County. Component 6 of the EDAP is as follows:

Develop and implement an Economic Development Incentive Policy, including performance-based incentive programs, which is adopted by the appropriate jurisdiction, County Commissioners, and appropriate school district.

In 2006, the parties in this agreement approved the Union County Economic Development Incentive Policy (EDIP) in response to this recommendation. In 2014, the CIC approved the Union County Economic Development Strategy (EDS) which recommended continuance of the EDIP.

IV. NEED FOR INCENTIVE PROGRAMS:

Currently, states, local governments, municipalities, villages and townships throughout the United States offer tax incentives to companies to expand or locate business facilities in their respective communities. Businesses are taxed at higher rates than residential properties, invest dollars into their facilities, retain and create jobs, provide payroll for the residents, and contribute dollars to local charities and community service organizations. Accordingly, communities compete against each other to attract business development so they can provide better services to the business community and to their residents.

V. Real & Personal Property Valuations in Select School Districts & Union County, OH

Our community has experienced an explosion in residential development over the last 20+ years which has made it difficult for the schools, municipalities, townships, and county governments to provide efficient and effective services to the new residents. Residential development requires more services from these entities yet pays less in tax dollars to provide the services. As you will see in the data in the table below this paragraph, there has been a decline in the percentage of the tax base from commercial and industrial development. Commercial and industrial developments are taxed at a higher rate for real

estate thereby providing more tax dollars to the taxing entities. The reduction of the commercial and industrial tax base places a higher burden on the residents of the community to provide taxes to the school districts and county, municipal and township governments. The purpose of this information is not to discourage housing, but emphasize the importance of commercial and industrial development. Housing opportunities play a major role in attracting companies and workers that are needed to work at our commercial and industrial facilities. It is important to note that better quality residential development is desired throughout the County. The information in the table below illustrates the growth in residential development versus commercial and industrial development in the Marysville, Fairbanks, Jonathan Alder and North Union School Districts since 1989:

Valuations for Real and Personal Property in Select School Districts and Union County, Ohio

Marysville Exempted Village School District								
	2011	Ratio	2009	Ratio	1999	Ratio	1989	Ratio
Agriculture	\$ 60,453,940	8.7%	\$ 48,837,440	7.2%	\$ 34,860,380	6.9%	\$ 19,124,950	5.9%
Residential	\$ 404,248,060	58.1%	\$ 403,417,510	59.6%	\$ 187,106,760	37.0%	\$ 64,637,430	20.0%
Com./Ind./Util.- RP	\$ 193,818,500	27.9%	\$ 189,575,800	28.0%	\$ 102,018,810	20.2%	\$ 67,370,800	20.8%
Tangible & Util.- PP	\$ 36,733,820	5.3%	\$ 35,008,550	5.2%	\$ 181,746,860	35.9%	\$ 172,102,116	53.2%
Total	\$ 695,254,320		\$ 676,839,300		\$ 505,732,810		\$ 323,235,296	
Fairbanks School District - Union County portion only								
	2011	Ratio	2009	Ratio	1999	Ratio	1989	Ratio
Agriculture	\$ 51,124,380	27.5%	\$ 37,236,520	21.8%	\$ 30,640,730	27.3%	\$ 17,276,600	27.1%
Residential	\$ 115,405,280	62.0%	\$ 113,453,730	66.5%	\$ 55,552,110	49.5%	\$ 20,869,680	32.7%
Com./Ind./Util.- RP	\$ 14,011,510	7.5%	\$ 14,654,350	8.6%	\$ 8,328,620	7.4%	\$ 9,404,110	14.7%
Tangible & Util.- PP	\$ 5,557,560	3.0%	\$ 5,221,410	3.1%	\$ 17,722,800	15.8%	\$ 16,282,742	25.5%
Total	\$ 186,098,730		\$ 170,566,010		\$ 112,244,260		\$ 63,833,132	
North Union School District - Union County portion only								
	2011	Ratio	2009	Ratio	1999	Ratio	1989	Ratio
Agriculture	\$ 58,711,770	36.8%	\$ 39,877,340	28.5%	\$ 34,920,330	34.8%	\$ 22,396,120	39.6%
Residential	\$ 86,370,490	54.1%	\$ 86,692,160	61.9%	\$ 47,298,530	47.2%	\$ 22,369,320	39.5%
Com./Ind./Util.- RP	\$ 6,434,870	4.0%	\$ 5,906,270	4.2%	\$ 3,888,670	3.9%	\$ 4,104,180	7.3%
Tangible & Util.- PP	\$ 8,214,290	5.1%	\$ 7,527,780	5.4%	\$ 14,178,720	14.1%	\$ 7,737,017	13.7%
Total	\$ 159,731,420		\$ 140,003,550		\$ 100,286,250		\$ 56,606,637	
Jonathon Alder School District - Union County portion only								
	2011	Ratio	2009	Ratio	1999	Ratio	1989	Ratio
Agriculture	\$ 8,388,890	6.9%	\$ 7,064,540	6.0%	\$ 5,152,290	9.3%	\$ 2,713,660	9.6%
Residential	\$ 78,999,730	65.4%	\$ 79,174,090	66.8%	\$ 28,676,310	51.8%	\$ 12,868,870	45.4%
Com./Ind./Util.- RP	\$ 30,658,530	25.4%	\$ 29,889,300	25.2%	\$ 5,191,620	9.4%	\$ 3,572,050	12.6%
Tangible & Util.- PP	\$ 2,729,950	2.3%	\$ 2,450,990	2.1%	\$ 16,299,420	29.5%	\$ 9,200,937	32.4%
Total	\$ 120,777,100		\$ 118,578,920		\$ 55,319,640		\$ 28,355,517	
Union County - ALL PROPERTIES INCLUDING SCHOOL DISTRICTS LISTED ABOVE PLUS ADDITIONAL SCHOOL DISTRICTS								
	2011	Ratio	2009	Ratio	1999	Ratio	1989	Ratio
Agriculture	\$ 178,678,980	15.4%	\$ 133,015,840	12.0%	\$ 105,573,730	13.6%	\$ 65,241,270	13.3%
Residential	\$ 685,023,560	59.0%	\$ 682,737,490	61.7%	\$ 318,633,710	41.2%	\$ 130,431,880	26.5%

Com./Ind./Util.- RP	\$ 244,923,410	21.1%	\$ 240,025,720	21.7%	\$ 119,427,720	15.4%	\$ 87,023,580	17.7%
Tangible & Util.- PP	\$ 53,235,620	4.6%	\$ 50,208,730	4.5%	\$ 229,947,800	29.7%	\$ 209,650,037	42.6%
Total	\$ 1,161,861,570		\$ 1,105,987,780		\$ 773,582,960		\$ 492,346,767	

Other notable factors shown in the table above include:

- In the Marysville Exempted Village School District, the commercial/industrial tax base has increased in value but has decreased in proportional value from 74% in 1989 to 33.2% in 2011 of the total tax base valuation.
- In the Marysville Exempted Village School District, the residential tax base has increased in value from just over \$64,600,000 in 1989 to \$404,200,000 in 2011 and has also increased proportionally from 20% in 1989 to 58% in 2011.
- In the Fairbanks School District, the commercial/industrial tax base has increased in value but has decreased in proportional value from 40.2% in 1989 to 10.5% in 2011 of the total tax base valuation.
- In the Fairbanks School District, the residential tax base has increased in value from nearly \$20,700,000 in 1989 to just over \$115,400,000 in 2011 and has also increased proportionally from 32.7% in 1989 to 62% in 2011.
- In the Jonathan Alder Local School District, the commercial/industrial tax base has increased in value but has decreased in proportional value from 45% in 1989 to 27.7% in 2011 of the total tax base valuation.
- In the Jonathan Alder Local School District, the residential tax base has increased in value from nearly \$12,900,000 in 1989 to \$79,000,000 in 2011 and has also increased proportionally from 45.4% in 1989 to 65.4% in 2011.
- In the North Union School District, the commercial/industrial tax base has increased in value but has decreased in proportional value from 21% in 1989 to 9.1% in 2011 of the total tax base valuation.
- In the North Union School District, the residential tax base has increased in value from just over \$22,300,000 in 1989 to just over \$86,370,000 and has also increased proportionally from 39.5% in 1989 to 54.1% in 2011.
- Looking at Union County as a whole, the same holds true with commercial and industrial proportionally dropping from 60.3% in 1989 to 25.7% in 2011 of the total tax base valuation. Residential developments have increased from 26.5% in 1989 to 59% in 2011 of the total tax base valuation.

Ohio has made major strides in streamlining taxes including the removal of personal property taxes. Additionally, Ohio has created a new economic development organizational structure that has improved the state incentive process. For Union County to remain competitive, Union County must utilize tax incentives to level the playing field with not only other communities within the state but also with communities in contiguous states.

The incentive process has improved since the adoption of the EDIP. By having an incentive program in place, the county is in a position to more quickly negotiate actual incentives to be offered to a prospective company and thus improve its competitiveness with other counties and communities in the region.

VI. ADOPTION OF POLICY:

Being in agreement regarding the need to adopt this EDIP, the parties approving this document hereby agree to the following:

A. Union County Community Improvement Corporation: Parties agree that the Union County Community Improvement Corporation (also known as the Union County Economic Development Partnership) (CIC) shall be the Lead Economic Development Organization (LEDO) for their respective jurisdiction or organization and shall be responsible for the economic development oversight, policies and programs. However, please note that the Village of Plain City is partly in Madison County and partly in Union County. The Village of Plain City and Madison County shall be responsible for the economic development efforts within the Village of Plain City corporate boundaries. However, the Village of Plain City and Madison County will work closely with the Union County CIC on the economic development efforts for properties located in the Village of Plain City within Union County. The Union County CIC in return agrees to work closely with the Village of Plain City and Madison County to develop future economic development plans and strategies.

B. KEY FACTORS TO BE CONSIDERED: When an incentive program is contemplated for a business that is locating or expanding in Union County, the following key factors (“Key Factors”) will be considered and factored into the EDIP:

1. The incentive package should be competitive with those offered by other communities in the State of Ohio region or other competing location;
2. The package should be structured such that prospective projects which generate new full-time jobs, higher paying jobs, and/or greater additions to the local tax base should receive a proportionately more favorable set of incentives;
3. Some flexibility should be built into the incentive package(s) offered in order to adapt to the particular needs of different developers or businesses in keeping with the adage that “once you’ve seen one deal, you’ve seen one deal”;
4. Expansion projects of existing companies should always be considered for incentives. The retention of the business and jobs along with the potential new investment and creation of new jobs will solidify the company’s presence in our community.
5. Performance based incentives should be implemented so that businesses deliver the jobs, payroll and investment promised;
6. Claw-back provisions should always be part of any direct financial incentive, including a property tax abatement or municipal income tax credit;
7. Businesses which plan a higher number of jobs, higher payroll, and/or substantial private investment should be given preference for tax incentives;
8. Advanced technology businesses, research and development facilities, office development, Economic Development Strategy targeted businesses, and/or businesses with higher payrolls should be targeted for the use of tax incentives; and,
9. The incentive package(s) offered must be demonstrably economically and financially viable.

C. TYPES OF INCENTIVES TO BE CONSIDERED:

The parties agree to established economic development incentives.

1. Attached as **Exhibit B** of the Appendix are descriptions of various incentives, based on existing requirements and state law, that the community should consider employing as part of its business attraction efforts. This **Exhibit B** will be modified and updated regularly as requirements and state laws change.
2. The participating organizations in the EDIP agree that there is a need to establish thresholds for companies to satisfy prior to granting economic development incentives.

Accordingly, the parties agree to the thresholds established in Exhibit B and in the EDIP. However, the established thresholds are to be used as guidelines and that businesses and developments which meet the established thresholds established in the EDIP do not require the parties (jurisdictions, County, or School Districts) to “rubber stamp” proposed economic development incentives. The parties are still required to approve or disapprove economic development incentives as required by the Ohio Revised Code or by participating organization laws or regulations. Additionally, some economic development incentives may not require formal approval by participating organizations (for example - including but not limited to Ohio Development Services Agency, JobsOhio incentives or Union County Jobs and Family Services).

3. It should be understood that from time to time new incentives may be utilized if agreed to by the appropriate party(s) which require approval of the new incentive.

D. IMPLEMENTATION OF THE EDIP: The CIC shall be the organization responsible for the administration, monitoring, negotiating, and implementation of the Economic Development Incentive Policy. The Exhibits as part of this document outline the process for applying for and receiving Economic Development Incentives in Union County, Ohio and outline the monitoring and economic development fees required of businesses which receive incentives.

E. PERFORMANCE MEASUREMENTS IN INCENTIVE AGREEMENTS: The following shall be considered when considering an incentive or included with direct financial incentive agreements:

1. The proposed project shall at least provide a net benefit to the community through tax collection, number of jobs proposed, or community involvement.
2. The CIC shall review the tax generation over the term of the incentive and provide information to the affected jurisdiction, school district, and County.
3. Each incentive agreement shall be reviewed annually during its term to determine if the company has complied with its obligations. Accordingly, claw-back provisions shall be part of any incentive agreement whereas a non-complying company is required to pay back the incentives it has received for the entire term of the abatement. A company needs to understand that if it does not comply with the terms of the incentive agreement, the abatement may be terminated and it may be required to pay back the amount of the incentive received to the date of termination. There shall be a Tax Incentive Review Council (TIRC) for the Enterprise Zone Areas and a Community Reinvestment Area Housing Council which are established to review and recommend annual compliance with tax abatements.

F. STREAMLINED DEVELOPMENT REVIEW PROCESS: All parties to this Agreement agree to follow an expedited development review process for developments that meet certain threshold requirements in terms of jobs and tax revenue generated. For such developments, the County’s Economic Development Director will be assigned to coordinate the resolution of any and all issues and serve as the liaison between the developer and any other jurisdiction, county, regional or state agencies that would be potentially involved in the development review process. Attached as **Exhibit D** of the Appendix are descriptions of additional improvements that the Parties agree to implement that will further improve the regulatory climate within which development occurs in Union County.

- G. BUSINESS RESOURCE MATERIALS:** In addition to the EDIP, the CIC agrees to provide and maintain business resource materials that will conceptually outline all the business assistance and incentives available in the County.
- H. PARTIES TO INVEST IN CIC:** All Parties to this Agreement agree to invest in the CIC, thereby insuring that the economic development strategies and EDIP are implemented. Additionally, parties will be involved in economic development activities, strategies, and plans that will directly benefit their jurisdiction or organization. Different levels of investment are provided by the CIC and shall be negotiated between the parties and the CIC.
- I. UPDATES TO APPENDICES, INCENTIVES AND RESOURCES:** It is understood by the parties entering into this agreement that the Appendices in this document may be updated and changed from time to time as needed and approved by the CIC with notice to the parties. Affected parties shall mean those jurisdictions or organizations which have authority over the specific incentive. The EDIP shall not prevent any incentives that are not specifically mentioned in this document.
- J. COMMUNITY IMPROVEMENT CORPORATION OF UNION COUNTY TO REVIEW EDIP:** The Community Improvement Corporation of Union County Board of Trustees (CIC) is tasked with reviewing the EDIP from time to time. The terms and conditions of the CIC review are as follows:
1. At the request of the Economic Development Director or at the request of a party, the CIC may review the EDIP.
 2. The CIC shall review the effectiveness and appropriateness of the EDIP and may require appropriate information to be provided by the Economic Development Director. After reviewing the EDIP for its effectiveness and appropriateness, the CIC has the authority to make necessary changes.
 3. For minor changes as determined by the CIC, the CIC shall notify the parties of the minor changes and allow the parties to make any comments on the changes within a 45 day period. The CIC shall provide explanation to any comments provided by parties. If there are further questions, the CIC shall pursue formal approval from the parties.
 4. For major changes as determined by the CIC, the CIC shall pursue formal approval of the changes from the parties.
 5. **Direct financial incentives listed in this document are jurisdictional specific. Accordingly, jurisdictions may terminate, modify, or expand with notification to the CIC. The CIC shall then modify the EDIP accordingly.**
- K. ECONOMIC DEVELOPMENT ACTION PLAN REVISION:** The CIC recently revised and updated the Union County Economic Development Action Plan. The revision document replaces the existing EDAP and is titled the Union County Economic Development Strategy (EDS). However, references in this document may include the EDAP and the new revision.
- L. ADDITIONAL PARTIES TO EDIP:** If an additional jurisdictions or school districts desire to join the EDIP, they may do so by formal approval of the CIC and by passing legislation adopting the EDIP. Any new parties shall meet the guidelines as outlined in the EDIP.
- M. AGREEMENT IS PERMANENT:** This agreement shall remain in force perpetually in order to provide a united Economic Development front. However, if a party desires to withdraw from this agreement, it must notify the CIC one year in advance of it withdrawing from the agreement.

Title: _____

Fairbanks Local School District

Signature: _____

Printed Name: _____

Title: _____

Jonathan Alder Local School District

Signature: _____

Printed Name: _____

Title: _____

Marysville Exempted Village School District

Signature: _____

Printed Name: _____

Title: _____

North Union Local School District

Signature: _____

Printed Name: _____

Title: _____

Union County Community Improvement Corporation

Signature: _____

Printed Name: _____

Title: _____

APPENDIX

Exhibit A

With the EDIP approved in 2006 and its implementation since its passage, the EDAP recommendation that encouraged the development of the EDIP has been redacted from this document.

Exhibit B

Economic Development Incentives for Union County, Ohio

I. DIRECT FINANCIAL INCENTIVES – In some cases, the direct financial incentives listed below are jurisdictional specific. Accordingly, jurisdictions may terminate, modify, or expand with notification to the CIC.

A. Real Property Tax Abatement – Enterprise Zones

Enterprise Zones permit tax abatements on new improvements on real property. The State of Ohio tax code was modified in mid-2005 which resulted in the elimination of the tangible personal property tax (i.e. taxes on inventory, machinery and equipment, and furniture and fixtures). Accordingly, Enterprise Zone tax abatements on personal property are no longer available for incentives. There are two established Enterprise Zone areas in Union County: (1) City of Marysville, Village of Milford Center, Jerome Township, Millcreek Township, Paris Township, and Union Township; and (2) Village of Richwood and Claibourne Township. The abatement agreement shall, at a minimum, meet the following terms and conditions:

- (1) Each of these zones allows tax abatements on real property up to 100% for up to 15 years;
- (2) Any abatement that exceeds above a 10 year term, school board approval is required;
- (3) Any abatement that exceeds an amount above 75% in a municipality, school board approval is required;
- (4) Any abatement that exceeds amount above 60% in a Township, school board approval is required.
- (5) If the amount of any abatement exceeds 75%, companies shall be expected to make a Payment In-Lieu of Taxes (PILOT) back to the school district and other affected taxing authorities that will not exceed a net benefit to the company of a 75% abatement. For example, if a company receives an 85% abatement, the amount above the 75% which is 10% is paid back to the school district and the appropriate taxing authorities through a donation or payment annually. The school district may agree to receive said PILOT and then agree to make service payments to each of the taxing authorities;
- (6) If the proposed abatement does not exceed the 75% for 10 years in a municipality or 60% for 10 years in a township, approval is only required by the appropriate municipal council or township trustees, Union County Commissioners, and the State of Ohio;
- (7) When annual payroll for a project exceeds \$1,000,000.00, a revenue sharing agreement is required between the affected jurisdiction and the affected school district that is outlined in in the **Exhibits**; In addition to PILOT payments described above or any other requirements in the EDIP, companies are encouraged to enter into additional agreements with school districts to provide payments or in-kind services to school districts, county taxing authorities, or the appropriate jurisdiction. Further explanation of these payments and in-kind services are described in further detail in **the Exhibits**; and,

- (8) State requirements for Enterprise Zones as established by the Ohio Revised Code and by the Ohio Development Services Agency/Jobs Ohio shall be met.
- (9) For Townships that have created Joint Economic Development Districts, it is encouraged that new projects are located in or will become part of a Joint Economic Development District (JEDD).

Please refer to **Exhibit I** which provides the Enterprise Zone tax abatement thresholds for projects within Union County, Ohio. **Exhibit I** provides the calculations (based on investment levels, jobs created and/or retained, and annual payroll) which determine the amount and term of the Enterprise Zone tax abatements.

- B. Community Reinvestment Area (CRA) – There is one Pre-1994 CRA in Union County and three Post-1994 CRAs in Union and Madison Counties. The Pre-1994 CRA includes the City of Marysville CRA in and around its Uptown area (downtown). The Post-1994 CRAs are located in the Village of Plain City and are located in Union and Madison Counties. Two of the Post-1994 CRAs are located mostly in Madison County, and are managed by the Village of Plain City and Madison County but approval from other Union County jurisdictions or organizations may be required. The CIC shall work closely with the Village of Plain City and Madison County for development areas located within Union County.

The CRA permits up to 100% for 15 years on only real property. The CRA guidelines for the City of Marysville are attached as **Exhibit E** in the Appendix. The CRA guidelines for the Village of Plain City are attached as **Exhibit F** in the Appendix.

- C. Municipal Income Tax Rebates in Municipalities or Joint Economic Development Districts

For those jurisdictions which levy municipal income taxes (requires municipal approval only) or any area in which a Joint Economic Development District (JEDD) (requires municipal, township, and JEDD Board approvals) has been created, municipal income tax rebates can be given to a company in return for job creation, payroll generation, and private investment. The municipal income tax rebate works where a company agrees to private investment into real and personal property, creation of jobs, and personal income tax from the created jobs. After the company provides the projected income taxes meeting the agreement for a calendar year, the appropriate jurisdiction agrees to rebate the company a certain percentage (50% or less) of the personal income taxes collected. Projects which have a substantial positive economic impact on the community should have preference for any municipal income tax rebate. The use of the municipal income tax rebate shall only be used when other incentives are deemed not to be advantageous in retaining or attracting the potential project.

For a project to be considered, it shall meet at least three of the following stipulations within three years of the certificate of occupancy being issued:

- a. Projects with more than 100 jobs created or retained;
- b. Projects which private investments exceed \$5,000,000.00;
- c. Projects which have an average payroll exceeding \$65,000.00 per employee;
- d. Total payroll for created or retained jobs is at least \$5,000,000.00;
- e. Industrial or Office Developments;
- f. Projects which result in retention of an existing business and/or jobs; or
- g. The use in the development has been identified in the Economic Development Strategy as a use that should be targeted for expansion in the County.

D. Infrastructure Cost Participation

This potential incentive would involve the appropriate jurisdiction or County contributing some specified share of the cost of any off-site improvements required for the particular development involved. An example of this would be the extension of a water/sewer line to a presently un-serviced industrial, office, or commercial site with the cost of said extension being shared jointly by the jurisdiction or County and the developer either upfront or via a reduction or deferment of any assessment that might be levied. Similarly, and as discussed above, the jurisdiction or County could also assist with the financing of selected on-site infrastructure improvements as well. Given that the provision of most off-site infrastructure tends to be facilitated by the jurisdiction or County in any event, some form of financial assistance to developers with on-site infrastructure improvements would likely prove most attractive in terms of serving as an incentive to prospective new industries. Infrastructure cost participation from the jurisdiction or County should be used primarily for industrial or office developments since they typically result in higher salaries for the employees that work in the development, a higher amount of aggregate payroll, and more private investment. With the current budgetary constraints for the County's jurisdictions, this incentive should only be used with projects which have a substantial economic impact on the County as a whole. Infrastructure cost participation may involve in part or solely assistance from the Ohio Development Services Agency/Jobs Ohio and/or the Ohio Department of Transportation.

E. Industrial Revenue Bond Financing

The County and its jurisdictions possess the capability of issuing industrial revenue bonds (IRB) for substantial developments in the community. Utilizing this mechanism, investors could receive financing at preferential rates via the issuance of tax exempt County or jurisdiction-backed bonds. Any such bond financing would be subject to all applicable federal tax laws and state codes and would have a maximum capital expenditure limitation. One existing requirement which limits the attractiveness of this financing mechanism to developers is that all jobs created as a result of the financing procured must be paid at prevailing wage. IRBs are authorized by the County or jurisdiction and backed by the Union County Community Improvement Corporation (CIC) or Marysville-Union County Port Authority. This financing was done for The Scotts Company in 2000 when it improved its System IV operations.

F. Tax Increment Financing (TIF)

For selected major industrial, office, or commercial properties, the County or appropriate jurisdiction could employ tax increment financing to raise revenues necessary to finance required capital improvement projects (i.e. all public infrastructure including but not limited to roadway or utility extensions). Working closely with the developer, the County or jurisdiction establishes a development area where the development project is planned. Public infrastructure improvements are performed (can be financed by the developer, County, or jurisdiction) and real property taxes collected on the new development in the TIF development area are used to pay the debt service on the infrastructure improvements. The County or jurisdiction and the appropriate school district are required to approve a TIF compensation agreement where the jurisdiction and school district share the TIF property taxes collected after the debt service is paid. The Coleman's Crossing commercial development TIF in Marysville was approved in 2004 as the first commercial TIF in Union County. A number of jurisdictions in Central Ohio utilize TIFs as a tool for economic development. Such well known developments as The Easton Town Center, The Mall at Tuttle Crossing, Polaris Fashion Place, and Perimeter Drive in the Central Ohio region are located in TIF Districts. Larger scale industrial and office developments or mixed use developments including two of the following: industrial, office, or

commercial, should be given preference for the creation of a TIF. It should be understood that industrial and office developments typically provide substantial greater number of jobs, payroll, and private investment.

G. Union County Revolving Loan Fund or Union County Economic Development Reserve Fund

The Union County Revolving Loan Fund (RLF) program is available for companies creating or retaining jobs and making private property investments within the community. Loans may be granted up to \$500,000 and are based upon a loan amount not to exceed \$25,000 per job created or retained. The Union County Board of County Commissioners, with assistance from the Community Improvement Corporation, operates the RLF for the County. Restrictions may apply to start-up businesses, retail or restaurant developments. At this time, this process will require grant approval from Ohio Development Services Agency for the loan funds.

Union County and the City of Marysville are considering the creation of an Economic Development Reserve Fund (EDRF) which could assist with loans or grants for potential companies looking to expand. If funds are available, companies meeting the guidelines of the EDRF may take advantage of these funds.

H. Foreign Trade Zone

Federally designated, a Foreign Trade Zone (FTZ) is an area where foreign and domestic merchandise is considered to be involved in international commerce, outside the jurisdiction of customs duties and excise taxes. Each FTZ is associated with a US Customs port of entry and each zone has specific geographic areas, which are subject to strict internal and external handling procedures. Union County is located in a sub-zone of the Rickenbacker FTZ which allows our companies to take care of incentives if they receive approval from the Rickenbacker FTZ. Honda of America also has a FTZ sub-zone that is confined to its operation.

A Foreign Trade Zone offers a duty-free, quota-free, secured site where goods can be stored, cleaned, re-packaged, assembled, and manufactured, and so on. Until the goods formally become US commerce, outside a FTZ, duties and Ohio inventory taxes on these goods are not due and will never be collected if the goods are re-exported.

Companies which use foreign trade zones include:

- Manufacturers, such as Honda of America, so they can reduce duty rates on imported parts and delay payment of duty until the finished automobile enters US commerce
- Companies that use bulk packaging to ship items from overseas, but want to re-package for marketing in the US
- Importers whose shipments exceed annual quotas for their merchandise
- European firms manufacturing a product with foreign and US parts for re-export, because they find technology and transportation are better in the US
- Many others, for various money-saving reasons

II. IN-KIND BUSINESS/DEVELOPER ASSISTANCE

A. Union County Department of Jobs and Family Services

The Union County Department of Jobs and Family Services (UCDJFS) provides various services for residents, employees and companies looking for training and job placement. Working closely with the CIC and the Union County Workforce Policy Board, UCDJFS assists companies with employee job placement, applicant screening, and applicant interviewing. For industrial or office developments, UCDJFS and the Workforce Policy Board can also provide in-kind or in some cases financial assistance to companies to establish job training programs for new employees that will be hired as a result of the development.

B. Union County Community Improvement Corporation

The Union County Community Improvement Corporation (CIC) is the statutory nonprofit Economic Development arm of the community. The CIC has unique economic development capabilities that include the ability to borrow money, purchase and lease land and buildings, purchase and lease personal property, and issue bonds or notes.

C. Marysville – Union County Port Authority

The Marysville-Union County Port Authority is a statutory agent of Union County and Marysville created by the Union County Board of Commissioners and the City of Marysville. While the Marysville-Union County Port Authority does not operate a traditional port, under the Ohio Revised Code, port authorities are given certain powers in the areas of real estate development, financing and management of foreign trade zones. Unlike a city or county, port authorities can buy land and construct a building that could be leased or sold to a business of its choosing at a negotiated price. They can also issue tax-exempt (and therefore, lower interest bonds) on behalf of a private entity for the construction of new plant or equipment.

D. Marketing and Promotion Assistance

For selected properties the municipalities or CIC could enter into an agreement with the property owner to share in the cost of marketing and promoting the property in question to developers who would undertake developments that meet specified job and tax generation threshold requirements. The marketing/promotional effort would focus on communicating the potential tax and other above referenced incentives that would be available to any investor meeting the established threshold requirements. The CIC has worked closely with the Village of Richwood to market its industrial park. Additionally, major commercial and industrial sites and specific information can be viewed at the CIC's web site – www.unioncounty.org.

E. Selected Technical Assistance

This form of incentive could potentially involve a wide array of activities depending upon the relative needs and capabilities of the developer in question. As an example, the CIC in cooperation with the County or appropriate jurisdiction could assist a developer in securing financial assistance the Ohio Development Services Agency/Jobs Ohio, Community Capital Development Corporation (CCDC), or other agencies. Other areas of assistance that might be provided could include training, site selection, and workforce recruitment all coordinated by the CIC through participating state or other government agencies. The specific financial incentives are outlined on our website – www.unioncounty.org under economic development. The CIC and jurisdiction can also provide grant assistance with potential

companies to assist with expansion plans. An example of this assistance is when the City of Marysville in 2006 teamed up with a property owner where the property owner covered the expense of the grant application while the City of Marysville provided technical assistance and grant management.

F. Union County Small Business Development Center

The Union County Small Business Development Center (SBDC) provides various assistance to existing or new businesses in the County. The business assistance services include access to capital, technology commercialization, human resource development, business finances, strategic and business planning, marketing, international trade, manufacturing processes, and e-business strategies. The SBDC has merged with the Marysville Entrepreneurial Center which is outlined below.

G. Utility Assistance and Utility Programs

The CIC, working in concert with the County or jurisdiction, could assist developers and/or companies with building relationships with necessary utility companies (i.e. electric, natural gas, telephone, internet connection). The CIC maintains strong relationships with the local utility companies and works closely with them on development projects. Certain utility companies provide rate reduction and utility provision programs for certain types of companies planning to expand.

H. Union County Small Business Entrepreneurial Incubator Program

In 2009, the Union County Commissioners and Union County Community Improvement Corporation launched the Union County Small Business Entrepreneurial Incubator Program (SBEIP) to encourage the growth of small business, seed the start up of businesses, and promote entrepreneurial spirit within the community. This program is currently housed at two locations in Marysville: 128 South Main Street and 129 North Main Street and is known as the Marysville Entrepreneurial Center (MEC). Individuals and companies can take advantage of the various assistance programs offered through the SBEIP including reasonable rental of office space, various assistance programs, and additional contacts with the Dublin Entrepreneurial Center and Rev1 Ventures.

III. GOVERNMENTAL COOPERATION, COMPANY ASSISTANCE, AND REVENUE SHARING

Union County has multiple governmental units including one County government, one City government, five Village governments, 14 Township governments, and eight school districts. It is vital that these governmental units work together on economic development projects and financial incentive packages to bring business development to our community. Communities that work closer together prove to be more successful in expanding their business base. Accordingly, there are cooperative statutory agreements created by the State of Ohio that can be entered into and between the County, Cities, Villages, Schools and Townships.

A. Enterprise Zone or Community Reinvestment Area Tax Sharing Agreements

When a project that receives an Enterprise Zone Agreement or a Post 1994 Community Reinvestment Area Tax Abatement that provides an annual payroll from the jobs created that exceeds \$1,000,000 and is located in an area that levies an income tax (municipality or JEDD), a tax revenue sharing agreement shall be entered into between the affected jurisdiction and school district. Tax revenue sharing agreements shall include as part of the agreement all the property and income taxes collected both by the jurisdiction and the school district. For example, if the jurisdiction annually collects \$15,000 in income taxes and \$5,000 in property taxes and the school district annually collects \$20,000 in property taxes from the project after the property tax abatement, all \$40,000 should be considered for any tax sharing agreement. If the jurisdiction receives more in total taxes than the school district

receives, the jurisdiction shall share with the school district 50% of the total amount over which the school district received. For example, if the jurisdiction receives \$15,000 in income taxes and \$5,000 in property taxes and the school district only receives \$15,000 in property taxes, then the jurisdiction shall pay the school district \$2,500 (50% of \$5,000 additional taxes that the jurisdiction received). Only the municipality will make payments to the school district to make the share even. If the school district receives more in total taxes than the jurisdiction then it is not required to share any tax revenues with the jurisdiction. This type of agreement has been used for various agreements.

It is important to note that this revenue sharing applies to municipalities and Joint Economic Development Districts (JEDDs) when income taxes are collected for a project. Accordingly, when a property that is receiving an Enterprise Zone tax abatement is located in a JEDD and the business exceeds \$1,000,000.00 in annual payroll, the income tax withholding collected for the employees shall be distributed equally between the local governments which created the JEDD and the local school district.

B. Companies are Encouraged to Provide Payments or In-Kind Services

Businesses receiving an Enterprise Zone Agreement Tax Abatement, a Community Reinvestment Area Tax Abatement, or a Municipal Income Tax Credit are encouraged to provide payments or in-kind services to the appropriate school district, county taxing authority, or affected jurisdiction. Businesses may provide one of the following to a school district, county taxing authority, and/or affected jurisdiction for a certain year or period of time during the term of the abatement:

1. Cash donation for a certain service being provided;
2. In-kind product(s);
3. Scholarship for students or training to employees of a jurisdiction, organization, or department;
4. In-kind assistance to a jurisdiction, organization, or department providing training or professional expertise; or
5. Another payment or in-kind service or product not specifically defined in this section.

Private companies which make payments or in-kind services outlined in this section will be looked at more favorably for incentive agreements. An example of this would be when MAI Manufacturing (Richwood) in 2004 agreed as part of its abatement to provide an educational partnership with the North Union School District for students in the school district. MAI Manufacturing also agreed to give preference to hire people in the Richwood area. ***Incentive requests from businesses which provide payments or in-kind services or products may be looked upon more favorably.***

C. Joint Economic Development District (JEDD)

A JEDD can be entered into by a municipality(s) and a township(s) in order to promote future economic development in the JEDD, resolve annexation issues, answer development concerns, and provide a new revenue stream. The JEDD is a district that is established in an unincorporated area of the township where the municipality and township agree to share certain services (including but not limited to water, sewer, police, fire, development services) and the municipality agrees not to annex the district. In return, an income tax can be levied in the non-annexed district that will provide a new revenue stream for both the municipality and township. The municipality and township should assign the majority of the income tax revenue from the JEDD to infrastructure improvements that will support additional economic development. Infrastructure improvements in the JEDD should follow the Comprehensive Plan or support imminent economic development. With other investments existing are being made by other entities, additional agreements for services are encouraged with other entities such as the County. With the growth along the U.S. 33 Corridor, the governmental

entities should work together to promote further the development in Jerome and Millcreek Townships.

D. Cooperative Economic Development Agreements (CEDA)

A CEDA can be entered into by one or more municipal corporations, one or more townships, and the County in order to provide services, designate a plan for annexation, identify a new revenue stream, and solve development concerns. The CEDA is an area identified by the participating governmental units for future development and an area that will be annexed to the municipal corporation. The CEDA will allow municipal infrastructure to be extended into the CEDA area that will be annexed. Other services can be shared by the municipality, township, or County. As part of the agreement, the income tax that is collected from the new employees in the CEDA is shared by the municipality, township, and/or County.

Economic Development Incentive Procedural Guidelines

In order to provide an efficient and effective Economic Development Incentive Policy, the following guidelines shall be used in order to streamline the incentive approval process:

1. Incentive programs will potentially be available to all owners of both developed and undeveloped industrial, office, and commercial property in the County.
2. The CIC working with the County and appropriate jurisdictions shall be responsible for the overall administration of the incentive program including the eligibility of particular projects for incentives under the Key Factors established above.
3. The CIC shall notify potential developers and companies of the potential availability of the EDIP as it might apply to their development. Promotion of the EDIP shall be done by the CIC, Union County Chamber of Commerce, and the Marysville-Union County Port Authority. This promotion shall include notification to Central Ohio Commercial Realtors and Brokers, local print media, and other economic development organizations.
4. Once the CIC identifies a property owner, developer, or company that has a potential project, the incentive program will be implemented as follows:
 - a. The property owner, developer, or company shall review the Key Factors and preliminarily determine whether the proposed development is eligible and, if so, contact the CIC.
 - b. Upon notification, the CIC and if necessary the appropriate jurisdiction chief official, shall meet with the owner, developer, or company and review information to be submitted by the latter to make a determination if there is a basis for the prospect's qualification for incentives. The following, at a minimum, should be submitted on a formal Application form, to be provided to the CIC:
 - (1) Size of Company;
 - (2) Type of Business;
 - (3) Where Locating From;
 - (4) Square Footage Required/Proposed;
 - (5) Projected Number of Employees by position at one, two, three, and five years;
 - (6) Projected Payroll at one, two, three, and five years;
 - (7) Projected Corporate Income taxable by the local jurisdiction at one, two, three, and five years;
 - (8) A statement from the company describing the financial need for proposed incentives and how the incentives will benefit the success of the company in the County;
 - (9) A description of the type of incentives being requested; and,
 - (10) Any other information requested by the CIC.
5. Based on a review of this information, within five working days of the meeting (and upon receipt of all required information from the owner, developer, or company) the owner, developer, or company will receive written notification as to whether the proposed development is eligible to receive incentives. Some approvals from outside organizations (i.e. State of Ohio and regional organizations) and substantial incentive requests may require more than five working days.
6. The CIC will then make a formal recommendation to the appropriate County or jurisdiction concerning what incentives should be extended to the development including

the proposed percentage and number of years for which any property tax abatement would be granted or the terms of any other incentive program authorized by the jurisdiction. This recommendation will be based, where appropriate, on a financial feasibility study to be prepared by the CIC staff on the entire proposed incentive package. Timely action will be taken by the County or jurisdiction to ratify the CIC's recommendation.

7. Following approval by the County or jurisdiction, the CIC will notify the owner/developer of the level and duration of the incentives, based on the guidelines established for the program.
8. As long as all the information is submitted by the applicant, it is the intention of all parties to this Agreement that the entire incentive review process will be completed within 60 days or less of the date from which the application is received by the CIC.
9. Any incentive package offered to an owner, developer, or company shall be reviewed on an annual basis (for the term of the incentive term) by the CIC, Tax Incentive Review Council, Housing Council, or appropriate agency. Should the CIC determine that incentives are being improperly provided due to a change in tenant status or their non-conformance with the initial understanding between the County and jurisdiction and the owner, developer, or company, the CIC shall notify the County or jurisdiction and recommend immediate suspension of the incentives subject to review and concurrence by the County and jurisdiction.
10. The CIC shall prepare and distribute an annual report to the affected jurisdictions and school districts and to the media.

DEVELOPMENT REVIEW PROCESS

Development Review Process Improvement

The County and jurisdictions should work to expedite plan review for industrial developments, major office and commercial development projects (more than five acres or 10,000 square feet), and downtown redevelopment or revitalization projects. This would involve streamlining the review process in terms of the number of required review steps and include the designation of a lead staff person to assist the developer in expediting the plans approval process both internally and externally (i.e. with county, regional and state agencies). The development review process should be implemented by the County and jurisdictions and should include the following procedure:

1. Developer, Broker or Company contacts the Economic Development Director to discuss development plans. If contact is first made with a jurisdiction, Township, or County Official said official shall notify the developer, broker, and/or company that they are to contact the Economic Development Director. The Economic Development Director shall serve as the coordinator for commercial and industrial development.
2. The Economic Development Director will then discuss with the developer, broker, and/or company the site(s) that has been selected or potential sites in the community.
3. Economic Development Director sets up meeting with appropriate City or Township officials to discuss planning and zoning issues. County individuals that meet to discuss the proposed development shall be known as the "Development Review Team."
4. At the Development Review Team meeting, the developer, broker, and/or company presents the development and provides drawings of the proposal. The Development Review Team makes general comments to the developer, broker, and/or company.

The developer, broker, and/or company then pursues zoning, building, and any other necessary permits with the appropriate governmental entity. The Economic Development Director may become involved with permitting at the request of the developer, broker, company, or governmental entity.

Review of Zoning Regulations

The County and jurisdictions with cooperation of the CIC, Logan, Union Champaign Regional Planning Commission, and the Mid-Ohio Regional Planning Commission should continue to review existing zoning regulations to bring the regulations more in conformance with existing professional standards and guidelines and to ensure that they promote development in identified corridors in the Economic Development Strategy. The County and jurisdictions should identify areas for business growth and development and identify areas for preservation. The County and jurisdictions should review zoning regulations from the perspective of the development community to make certain that certain existing zoning regulations and/or their enforcement are not perceived to adversely affect development in areas designated for development by the community. To address these concerns, the Union County Comprehensive Plan, the EDS, and appropriate individual jurisdiction plans should always be used as guidelines for development. Additionally, the development of these plans should incorporate provisions to promote the expansion of business growth and development in appropriate locations only.

City of Marysville Community Reinvestment Area Guidelines

Purpose

In 2002, the Marysville City Council approved the continuance of a Community Reinvestment Area (CRA) in the Uptown Area and its surrounding residential areas. The CRA's main purpose is to encourage development, re-development, and re-revitalization in the older areas of the community so as to improve the economic stability, maintain real property values, and create new employment opportunities.

What Projects Are Eligible?

Any residential (no-more than two units in building), commercial, and/or industrial property owner in the CRA Area who plans to make structural improvements meeting the CRA requirements. Uptown Area commercial buildings with residential units on the second floor will be considered as commercial buildings.

Amount and Term of Real Property Tax Abatements

- Qualifying residential properties may receive a 75%, seven year real property tax abatement for new improvements for which the cost of remodeling is at least \$7,500. Said residential buildings shall not have more than two dwelling units and shall be owner occupied.
- Qualifying commercial and industrial properties may receive up to a 100%, ten year real property tax abatement for new improvements for which the cost of the remodeling is at least \$10,000. Approval is on a case-by-case basis and is determined by the amount of investment and number of jobs created or retained.
- Qualifying commercial and industrial properties may receive up to a 100%, fifteen year tax abatement for new building construction for which the cost of the new construction is at least \$350,000. Approval is on a case-by-case basis and is determined by the amount of investment and number of jobs created or retained.

Criteria for Approval

The City shall consider the following when reviewing each CRA Application:

- Residential building is less than two units and is owner occupied;
- Use of building shall meet zoning and building regulations;
- Shall encourage private investment that will repair, construct, improve or revitalize a building;
- Commercial and industrial projects that create new employment, restore historical significance, or promote revitalization of the Uptown Area are preferred.

Village of Plain City Community Reinvestment Area Guidelines

Purpose

In 2007, the Plain City Village Council approved the creation of two Post-1994 Community Reinvestment Areas (CRA): (1) CRA #1 - Uptown Plain City; and, (2) CRA #2 - Plain City US 42 Business Park; and in 2011 Village Council approved another area: CRA #3 – US 42 Corridor South. CRA #1 – Uptown Plain City – was created to encourage development, re-development, and re-revitalization in the older areas of the community so as to improve the economic stability, maintain real property values, and create new employment opportunities. CRA #2 – Plain City US 42 Business Park was created to maintain existing structures and to construct new structures in order to encourage economic stability, maintain real property values, and create new employment opportunities in the area in and around the newly constructed US 42 by-pass. CRA # 3 – US 42 Corridor South was created to encourage the development, re-development, and re-development of the commercial areas on the southern section of the Village in order to promote economic stability, maintain real property values, and create new employment opportunities in the area in and around US 42 south.

What Projects Are Eligible?

CRA # 1 – Uptown Plain City. Any property owner who is planning to remodel a residential (no-more than two units in building) or remodel or construct new commercial, and/or industrial property project in the CRA Area meeting the CRA requirements is eligible to apply for incentives. Uptown Area commercial buildings with residential units on the second floor will be considered as commercial buildings.

CRA # 2 – Plain City US 42 Business Park. Any property owner who is planning an office or industrial project in the CRA Area meeting the CRA requirements is eligible to apply for incentives. An office or industrial property use may have retail or service sales as long the annual sales for said retail or service use does not exceed 20% of the total annual sales for the office or industrial use. Retail, commercial, or services uses standing alone are not eligible for CRA incentives.

CRA #3 – US 42 Corridor South. Only industrial, service, office, or hotel properties consistent with the applicable zoning regulations within the designated Community Reinvestment Area will be eligible for exemptions under this Program. Retail uses are permitted as long as they are complementary to industrial, service, office, or hotel properties. No solely retail properties will be eligible for exemptions under this program. This proposal is a public/private partnership intended to promote and expand conforming uses in the designated area. Eligibility shall also be limited to those projects that comply with the US 42 Corridor design and architectural requirements (Corridor Development Overlay District) promulgated by the Plain City Planning and Zoning Commission and Village Council.

Amount and Term of Real Property Tax Abatements

Please refer to Exhibit J for the amount and term of real property tax abatements in for these CRAs.

Criteria for Approval

The Village shall consider the following when reviewing each CRA Application:

- Residential building is less than two units and is owner occupied only in the Uptown area;
- Use of building shall meet zoning and building regulations;

- Shall encourage private investment that will repair, construct, improve or revitalize a building;
- Commercial and industrial projects that create new employment, restore historical significance, or promote revitalization of the Uptown Area are preferred.

System Capacity Fee Incentive Policy City of Marysville, Ohio

(This policy may be modified by the City of Marysville without approval of each entity)

- A. The City of Marysville desires to implement the following System Capacity Fee Incentive Policy (SCFIP) for businesses which plan expansions. The SCFIP shall only be available to businesses when the City of Marysville has a positive balance of at least \$1,000,000.00 in its water capital enterprise fund and \$1,000,000.00 in its sanitary sewer capital enterprise fund. The water and/or sewer capital enterprise funds shall be reimbursed for such incentive cost. Each capital enterprise fund shall be made whole by the city's general fund in a reasonable time period, not to exceed five years from inception.
- B. Industrial, Office, and Economic Development Strategy Targeted Uses.
The use of the SCFIP for industrial, office, and EDS targeted uses cannot be used with any tax abatements, municipal income tax credits (Asset Based Investment and Employment Agreement), or any local incentives as determined by the Mayor of the City of Marysville. The benefit to companies would be that they could take advantage of cost savings in the initial stages of the development instead of waiting for a number of years to realize abatement or tax credit incentives. The SCFIP is an advantage for the community in that the City, School, and County entities receive the full benefit of property and income taxes at the beginning instead of forgoing taxes over an extended period of time. The City of Marysville System Capacity Fee Incentive Policy (SCFIP) shall apply to Industrial or Office Development projects meeting at least three of the following requirements within two years of the certificate of occupancy being issued:
1. Projects with more than 50 jobs created;
 2. Projects which private investments exceed \$5,000,000.00;
 3. Projects which have an average payroll exceeding \$50,000.00 per employee per year;
 4. Total payroll for created or retained jobs is at least \$5,000,000.00 per year;
 5. The use in the development has been identified in the Economic Development Strategy as a use that should be targeted for expansion in the City.

If a project satisfies at least three of the requirements listed above, the City of Marysville Mayor may approve a reduction of the system capacity fee in part or full equal to the charge of not less than a three inch (3") meter size charge. This would mean that for a development project satisfying at least three of the requirements listed above and requiring a meter sized above three inches, the Mayor may reduce the charge (in part or in full) to an amount not less than the existing charge of a three inch meter. Failure to meet at least three of the above requirements in the 2 year time period will result in the need for immediate repayment of all System Capacity Fee Incentive Policy funds granted.

- C. Projects Located in the Historic Uptown Marysville Design Review District. The City of Marysville realizes the challenges with the renovation of existing structures of historical significance in its Historic Uptown Marysville Design Review District as established by Chapter 1136 of the City's

Codified Ordinances. In a number of cases, the Ohio Basic Building Code requires a fire suppression system to be installed in historic buildings which can make a project cost prohibitive to a property or business owner. The City desires to promote the revitalization of its Uptown District by waiving system capacity fees for fire suppression water lines satisfying the following guidelines:

For industrial, commercial, or office projects in the Historic Uptown Marysville Design Review District which exceed \$20,000.00 for remodeling construction or \$200,000.00 for new construction and which require a second water line for a fire suppression system, the Mayor may approve up to a 100% waiver of the system capacity fee for the second water line for the fire suppression system.

- D. High Impact Projects as Determined by the Mayor. The thresholds listed above for industrial, office, economic development strategy targeted uses, or Historic Uptown Marysville Design Review District projects are meant to be guidelines to determine the amount of the system capacity fee incentive. On projects that are determined to have a major impact on the city, the amount of the system capacity fee can be decreased with approval by the Mayor and a two-third majority elected to City Council. Also, the Mayor and a two-thirds majority of City Council elected may approve the use of additional incentives including the SCFIP, tax abatements, municipal income tax credits (Asset Based Investment and Employment Agreement), or any local incentives. However, it shall be the intent of the parties to stay within the thresholds when feasible and exceptions shall be made only for special circumstances.

IV. **Conclusion**

This System Capacity Fee Incentive Policy has been developed so that the City of Marysville can promote the growth and development of our community and our county in order to protect and promote the general health, safety, and welfare. Additionally, businesses can utilize system capacity fee incentives in order to realize savings up front and potentially invest additional dollars into their facilities or hire additional employees.

Exhibit H

Requirement of Businesses Utilizing Economic Development Incentives

Each incentive agreement shall require a company receiving an incentive to become an Economic Development Action Plan Investor and pay an annual fee for the term of the incentive and hopefully years beyond. The funds will be used by the CIC to monitor and administer incentive agreements and to further Economic Development goals and objectives. As long as the funds exceed the set fee of a Chamber Membership by at least ten percent, the fee shall include a Union County Chamber of Commerce annual membership. The CIC also encourages companies to remain or become involved with community organizations and to pursue leadership roles in Union County.

The annual fee for companies shall meet the following thresholds:

Investment Amount (real and personal property)	Annual Fee
\$0-\$1,000,000.00	\$500.00
\$1,000,000.01 – \$2,500,000	\$1,000.00
\$2,500,000.01 - \$5,000,000.00	\$2,000.00
\$5,000,000.01 - \$10,000,000	\$3,000.00
\$10,000,000.01 - \$12,500,000	\$4,000.00
\$12,500,000.01 - \$15,000,000	\$5,000.00
\$15,000,000.01 +	\$6,000.00

*If the abatement being approved is less than 50%, the annual fee can be reduced by 50%.

Fees for incentives used in Community Reinvestment Areas in Uptown Marysville and Plain City may be waived. If determined appropriate on a case by case basis, fees may be waived for certain projects which have a high impact on a community's economy.

Exhibit I

Enterprise Zone Tax Abatement Thresholds
Union County, Ohio

I. Enterprise Zone #178

For qualifying projects in Marysville, Milford Center, Jerome Township, Millcreek Township, Paris Township, and Union Township, the following thresholds shall apply:

Column 1	Column 2	Column 3	Column 4	Column 5	Column 6
Project Levels	Minimum Improvement Value (100% RP + 50% PP) ¹	Minimum # of Jobs	Minimum Annual Payroll ²	Amount of Abatement ³	Term of Abatement ⁴
Level 1	\$700,000.00	15	\$750,000.00	25%	5 Years
Level 2	\$1,000,000.00	20	\$1,000,000.00	35%	5 Years
Level 3	\$2,000,000.00	25	\$1,250,000.00	45%	7 Years
Level 4	\$2,500,000.00	40	\$2,000,000.00	55%	8 Years
Level 5	\$3,000,000.00	50	\$2,500,000.00	65%	9 Years
Level 6	\$4,000,000.00	75	\$3,750,000.00	75%	10 Years
Level 7	\$10,000,000.00	100	\$5,000,000.00	75%	12 Years
Level 8	\$20,000,000.00	100	\$5,000,000.00	75%	15 Years

Footnotes:

¹ Improvement value equals 100% of the real property (RP) construction value plus 50% of the personal property (PP) construction value investment for a project. For a project to be eligible at least \$400,000.00 of real property has to be invested. For example, a new addition or a new building which has a value of \$1,000,000.00 in real property and a value of \$3,000,000.00 in new personal property (M&E, inventory, F&F) would have an improvement value of \$2,500,000.00 (100% of \$1,000,000.00 real property and 50% of \$3,000,000.00 personal property).

² Payroll is determined by multiplying the minimum number of jobs by \$50,000.00 (annual salary). Total payroll projects which exceed \$1,000,000.00 annually require a municipal/school tax sharing agreement.

³ Projects in Levels 6, 7, or 8 may exceed 75% only if a Payment In Lieu of Taxes (PILOT) is made to the schools and/or taxing authorities. The PILOT amount shall be such that the resulting abatement shall equal not more than 75%. If a PILOT is made to the schools only, the schools shall provide compensation/service agreements with the other taxing authorities.

⁴ If the amount or term of the abatement exceed 75% or 10 years respectively in a municipality or 60% or 10 years respectively in a township, school board approval is required.

Rules and Guidelines:

- A. Abatement Determination - A project shall comply with Column 2 (Improvement Value) and either Column 3 (Jobs) or Column 4 (Payroll) within three years from the time of building occupancy unless otherwise negotiated. To determine the amount/term of the abatement, find the improvement value amount in Column 2 and if the Level of the improvement value coincides with the number of jobs threshold (Column 3) or the payroll threshold (Column 4) then continue to Column 5 and Column 6 to determine the amount of abatement and the term. However, if the improvement value threshold is satisfied but the jobs or payroll thresholds are not satisfied, then the amount and term of the abatement shall be reduced until either the jobs or payroll are satisfied. For example, if a project has an improvement level of \$4,000,000.00 but only has 40 jobs or a payroll of \$2,000,000.00, the qualifying abatement will be 55% for 8 years. Improvement value in Column 2 shall always be satisfied.
- B. Created and Retained Jobs - Created jobs shall be preferred; however, retained jobs shall also count towards the totals listed in this formula. For retained jobs, the Company must provide satisfactory verification that jobs will be lost without proposed expansion and abatement.
- C. Retention Bonus - Projects which involve expansions to existing Union County companies (retention) are eligible (negotiated) for up to an additional 10% amount of abatement and up to an additional two years of term.
- D. Annual Payroll Bonus - Projects that provide an annual payroll of \$65,000/job are eligible (negotiated) for an additional 5% amount of abatement and up to an additional two years of term.

- E. Targeted Company Bonus - Projects which provide a use and jobs related to a target industry as outlined in the Union County Economic Development Strategy are eligible (negotiated) for up to an additional 10% amount of abatement and up to an additional two years of term.
- F. High Tech/R&D Bonus - Projects which are considered to be high technology or research and development in use and jobs are eligible (negotiated) for up to an additional 5% amount of abatement and up to an additional two years of term.
- G. Relocation Projects - Use of tax abatements for a company relocating from one jurisdiction in the County to another jurisdiction in the County shall be discouraged unless the company can prove that: (1) it cannot expand in its current location, (2) it has searched for other sites and buildings in its current community, and (3) it is considering relocating outside the County. A relocation project is also required to receive approval from the Ohio Development Services Agency.
- H. Variance to Thresholds - These thresholds are meant to be guidelines to determine the amount/term of the abatements. On projects that are determined to have a major impact on the community, the amount and term of the abatement can be increased with the required approvals. However, it shall be the intent of the parties to remain within these thresholds when feasible, and exceptions shall be made only for special circumstances.

II. Enterprise Zone #190

For qualifying projects in Richwood and Claibourne Township, the following thresholds shall apply:

Column 1	Column 2	Column 3	Column 4	Column 5	Column 6
Project Levels	Minimum Improvement Value (100% RP + 50% PP) ¹	Minimum # of Jobs	Minimum Annual Payroll ²	Amount of Abatement ³	Term of Abatement ⁴
Level 1	\$500,000.00	15	\$525,000.00	25%	5 Years
Level 2	\$700,000.00	20	\$700,000.00	35%	5 Years
Level 3	\$1,000,000.00	20	\$700,000.00	45%	7 Years
Level 4	\$1,500,000.00	30	\$1,050,000.00	55%	8 Years
Level 5	\$2,000,000.00	30	\$1,050,000.00	65%	9 Years
Level 6	\$3,000,000.00	35	\$1,225,000.00	75%	10 Years
Level 7	\$5,000,000.00	50	\$1,750,000.00	75%	12 Years
Level 8	\$20,000,000.00	75	\$2,625,000.00	75%	15 Years

Footnotes:

¹ Improvement value equals 100% of the real property (RP) construction value plus 50% of the personal property (PP) construction value investment for a project. For a project to be eligible at least \$400,000.00 of real property has to be invested. For example, a new addition or a new building which has a value of \$1,000,000.00 in real property and a value of \$1,000,000.00 in new personal property (M&E, inventory, F&F) would have an improvement value of \$1,500,000.00 (100% of \$1,000,000.00 real property and 50% of \$1,000,000.00 personal property).

² Payroll is determined by multiplying the minimum number of jobs by \$35,000.00 (annual salary). Total payroll projects which exceed \$1,000,000.00 annually require a municipal/school tax sharing agreement.

³ Projects in Levels 6, 7, or 8 may exceed 75% only if a Payment In Lieu of Taxes (PILOT) is made to the schools and/or taxing authorities. The PILOT amount shall be such that the resulting abatement shall equal not more than 75%. If a PILOT is made to the schools only, the schools shall provide compensation/service agreements with the other taxing authorities.

⁴ If the amount or term of the abatement exceed 75% or 10 years respectively in a municipality or 60% or 10 years respectively in a township, school board approval is required.

Rules and Guidelines:

- I. Abatement Determination - A project shall comply with Column 2 (Improvement Value) and either Column 3 (Jobs) or Column 4 (Payroll) within three years from the time of building occupancy unless otherwise negotiated. To determine the amount/term of the abatement, find the improvement value amount in Column 2 and if the Level of the improvement value coincides with the number of jobs threshold (Column 3) or the payroll threshold (Column 4) then continue to Column 5 and Column 6 to determine the amount of abatement and the term. However, if the improvement value threshold is satisfied but the jobs or payroll thresholds are not satisfied, then the amount and term of the abatement shall be reduced until either the jobs or payroll are satisfied. For example, if a project has an

improvement level of \$2,000,000.00 but only has 20 jobs or a payroll of \$700,000.00, the qualifying abatement will be 45% for 7 years. Improvement value in Column 2 shall always be satisfied.

- J. Created and Retained Jobs - Created jobs shall be preferred; however, retained jobs shall also count towards the totals listed in this formula. For retained jobs, the Company must provide satisfactory verification that jobs will be lost without proposed expansion and abatement.
- K. Retention Bonus - Projects which involve expansions to existing Union County companies (retention) are eligible (negotiated) for up to an additional 10% amount of abatement and up to an additional two years of term.
- L. Annual Payroll Bonus - Projects that provide an annual payroll of \$50,000/job are eligible (negotiated) for an additional 5% amount of abatement and up to an additional two years of term.
- M. Targeted Company Bonus - Projects which provide a use and jobs related to a target industry as outlined in the Union County Economic Development Strategy are eligible (negotiated) for up to an additional 10% amount of abatement and up to an additional two years of term.
- N. High Tech/R&D Bonus - Projects which are considered to be high technology or research and development in use and jobs are eligible (negotiated) for up to an additional 5% amount of abatement and up to an additional two years of term.
- O. Relocation Projects - Use of tax abatements for a company relocating from one jurisdiction in the County to another jurisdiction in the County shall be discouraged unless the company can prove that: (1) it cannot expand in its current location, (2) it has searched for other sites and buildings in its current community, and (3) it is considering relocating outside the County. A relocation project is also required to receive approval from the Ohio Development Services Agency.
- P. Variance to Thresholds - These thresholds are meant to be guidelines to determine the amount/term of the abatements. On projects that are determined to have a major impact on the community, the amount and term of the abatement can be increased with the required approvals. However, it shall be the intent of the parties to remain within these thresholds when feasible, and exceptions shall be made only for special circumstances.

Community Reinvestment Area (CRA) Tax Abatement Thresholds
Plain City, Ohio

I. CRA # 1 – Uptown Plain City – Commercial New Construction

For commercial new construction projects in Uptown Plain City in Madison and Union Counties, the following thresholds shall apply:

Column 1	Column 2	Column 3	Column 4	Column 5	Column 6
Project Levels	Minimum Improvement Value (100% RP) ¹	Minimum # of Jobs	Minimum Annual Payroll ²	Amount of Abatement ³	Term of Abatement ⁴
Level 1	\$250,000.00	5	\$100,000.00	50%	5 Years
Level 2	\$300,000.00	7	\$140,000.00	50%	7 Years
Level 3	\$350,000.00	10	\$200,000.00	50%	10 Years
Level 4	\$400,000.00	15	\$300,000.00	75%	10 Years
Level 5	\$500,000.00	20	\$400,000.00	75%	15 Years

Footnotes:

¹ Improvement value equals 100% of the real property (RP) construction value.

² Payroll is determined by multiplying the minimum number of jobs by \$20,000.00 (annual salary). Total payroll projects which exceed \$1,000,000.00 annually require a municipal/school tax sharing agreement.

³ Projects in Levels 4 or 5 may exceed 75% only if a Payment In Lieu of Taxes (PILOT) is made to the schools and/or taxing authorities. The PILOT amount shall be such that the resulting abatement shall equal not more than 75%. If a PILOT is made to the schools only, the schools shall provide compensation/service agreements with the other taxing authorities.

⁴ If the amount or term of the abatement exceed 50%, school board approval is required.

Rules and Guidelines:

- A. Abatement Determination - A project shall comply with Column 2 (Improvement Value) and either Column 3 (Jobs) or Column 4 (Payroll) within three years from the time of building occupancy unless otherwise negotiated. To determine the amount/term of the abatement, find the improvement value amount in Column 2 and if the Level of the improvement value coincides with the number of jobs threshold (Column 3) or the payroll threshold (Column 4) then continue to Column 5 and Column 6 to determine the amount of abatement and the term. However, if the improvement value threshold is satisfied but the jobs or payroll thresholds are not satisfied, then the amount and term of the abatement shall be reduced until either the jobs or payroll are satisfied. For example, if a project has an improvement level of \$350,000.00 but only has 7 jobs or a payroll of \$140,000.00, the qualifying abatement will be 50% for 7 years. Improvement value in Column 2 shall always be satisfied.
- B. Created and Retained Jobs - Created jobs shall be preferred; however, retained jobs shall also count towards the totals listed in this formula. For retained jobs, the Company must provide satisfactory verification that jobs will be lost without proposed expansion and abatement.
- C. Retention Bonus - Projects which involve expansions to existing Union County or Madison County companies (retention) are eligible (negotiated) for up to an additional 10% amount of abatement and up to an additional two years of term.
- D. Annual Payroll Bonus - Projects that provide an annual payroll of \$50,000/job are eligible (negotiated) for an additional 5% amount of abatement and up to an additional two years of term.
- E. Targeted Company Bonus - Projects which provide a use and jobs related to a target industry as outlined in the Union County Economic Development Strategy are eligible (negotiated) for up to an additional 10% amount of abatement and up to an additional two years of term.
- F. Relocation Projects - Use of tax abatements for a company relocating from one jurisdiction in Union County or Madison to another jurisdiction in either county shall be discouraged unless the company can prove that: (1) it cannot expand in its current location, (2) it has searched for other sites and buildings in its current community, and (3) it is

considering relocating outside the County. A relocation project is also required to receive approval from the Ohio Development Services Agency.

- G. Variance to Thresholds - These thresholds are meant to be guidelines to determine the amount/term of the abatements. On projects that are determined to have a major impact on the community, the amount and term of the abatement can be increased with the required approvals. However, it shall be the intent of the parties to remain within these thresholds when feasible, and exceptions shall be made only for special circumstances.

II. CRA # 1 – Uptown Plain City – Commercial Remodel

For commercial remodel construction projects in Uptown Plain City in Madison and Union Counties, the following thresholds shall apply:

Column 1	Column 2	Column 3	Column 4	Column 5	Column 6
Project Levels	Minimum Improvement Value (100% RP) ¹	Minimum # of Jobs	Minimum Annual Payroll ²	Amount of Abatement ³	Term of Abatement ⁴
Level 1	\$25,000.00	5	\$100,000.00	50%	5 Years
Level 2	\$75,000.00	7	\$140,000.00	50%	7 Years
Level 3	\$125,000.00	8	\$160,000.00	50%	10 Years
Level 4	\$175,000.00	10	\$300,000.00	75%	10 Years
Level 5	\$225,000.00	12	\$400,000.00	75%	15 Years

Footnotes:

¹ Improvement value equals 100% of the real property (RP) construction value.

² Payroll is determined by multiplying the minimum number of jobs by \$20,000.00 (annual salary). Total payroll projects which exceed \$1,000,000.00 annually require a municipal/school tax sharing agreement.

³ Projects in Levels 4 or 5 may exceed 75% only if a Payment In Lieu of Taxes (PILOT) is made to the schools and/or taxing authorities. The PILOT amount shall be such that the resulting abatement shall equal not more than 75%. If a PILOT is made to the schools only, the schools shall provide compensation/service agreements with the other taxing authorities.

⁴ If the amount or term of the abatement exceed 50%, school board approval is required.

Rules and Guidelines:

- H. Abatement Determination - A project shall comply with Column 2 (Improvement Value) and either Column 3 (Jobs) or Column 4 (Payroll) within three years from the time of building occupancy unless otherwise negotiated. To determine the amount/term of the abatement, find the improvement value amount in Column 2 and if the Level of the improvement value coincides with the number of jobs threshold (Column 3) or the payroll threshold (Column 4) then continue to Column 5 and Column 6 to determine the amount of abatement and the term. However, if the improvement value threshold is satisfied but the jobs or payroll thresholds are not satisfied, then the amount and term of the abatement shall be reduced until either the jobs or payroll are satisfied. For example, if a project has an improvement level of \$125,000.00 but only has 7 jobs or a payroll of \$140,000.00, the qualifying abatement will be 50% for 7 years. Improvement value in Column 2 shall always be satisfied.
- I. Created and Retained Jobs - Created jobs shall be preferred; however, retained jobs shall also count towards the totals listed in this formula. For retained jobs, the Company must provide satisfactory verification that jobs will be lost without proposed expansion and abatement.
- J. Retention Bonus - Projects which involve expansions to existing Union County or Madison County companies (retention) are eligible (negotiated) for up to an additional 10% amount of abatement and up to an additional two years of term.
- K. Annual Payroll Bonus - Projects that provide an annual payroll of \$50,000/job are eligible (negotiated) for an additional 5% amount of abatement and up to an additional two years of term.
- L. Targeted Company Bonus - Projects which provide a use and jobs related to a target industry as outlined in the Union County Economic Development Strategy are eligible (negotiated) for up to an additional 10% amount of abatement and up to an additional two years of term.
- M. Relocation Projects - Use of tax abatements for a company relocating from one jurisdiction in Union County or Madison to another jurisdiction in either county shall be discouraged unless the company can prove that: (1) it cannot expand in its current location, (2) it has searched for other sites and buildings in its current community, and (3) it is considering relocating outside the County. A relocation project is also required to receive approval from the Ohio Development Services Agency.

- N. Variance to Thresholds - These thresholds are meant to be guidelines to determine the amount/term of the abatements. On projects that are determined to have a major impact on the community, the amount and term of the abatement can be increased with the required approvals. However, it shall be the intent of the parties to remain within these thresholds when feasible, and exceptions shall be made only for special circumstances.

III. CRA # 1 – Uptown Plain City – Residential Remodel

For residential remodel construction projects (not more than two dwelling units) in Uptown Plain City in Madison and Union Counties, the following thresholds shall apply:

Column 1	Column 2	Column 5	Column 6
Project Levels	Minimum Improvement Value (100% RP)	Amount of Abatement	Term of Abatement
Level 1	\$15,000.00	50%	7 Years

IV. CRA # 2 – Plain City US 42 Business Park – Industrial or Office Projects Only (no more than 20% of business sales at location)

For qualifying new construction including expansion or remodel projects in CRA # 2 – Plain City, the following thresholds shall apply:

Column 1	Column 2	Column 3	Column 4	Column 5	Column 6
Project Levels	Minimum Improvement Value (100% RP + 50% PP) ¹	Minimum # of Jobs	Minimum Annual Payroll ²	Amount of Abatement ³	Term of Abatement ⁴
Level 1	\$500,000.00	15	\$525,000.00	25%	5 Years
Level 2	\$700,000.00	20	\$700,000.00	35%	5 Years
Level 3	\$1,000,000.00	20	\$700,000.00	45%	7 Years
Level 4	\$1,500,000.00	30	\$1,050,000.00	55%	8 Years
Level 5	\$2,000,000.00	30	\$1,050,000.00	65%	9 Years
Level 6	\$3,000,000.00	35	\$1,225,000.00	75%	10 Years
Level 7	\$5,000,000.00	50	\$1,750,000.00	75%	12 Years
Level 8	\$20,000,000.00	75	\$2,625,000.00	75%	15 Years

Footnotes:

¹ Improvement value equals 100% of the real property (RP) construction value plus 50% of the personal property (PP) construction value investment for a project. For a project to be eligible at least \$400,000.00 of real property has to be invested. For example, a new addition or a new building which has a value of \$1,000,000.00 in real property and a value of \$1,000,000.00 in new personal property (M&E, inventory, F&F) would have an improvement value of \$1,500,000.00 (100% of \$1,000,000.00 real property and 50% of \$1,000,000.00 personal property).

² Payroll is determined by multiplying the minimum number of jobs by \$35,000.00 (annual salary). Total payroll projects which exceed \$1,000,000.00 annually require a municipal/school tax sharing agreement.

³ Projects in Levels 6, 7, or 8 may exceed 75% only if a Payment In Lieu of Taxes (PILOT) is made to the schools and/or taxing authorities. The PILOT amount shall be such that the resulting abatement shall equal not more than 75%. If a PILOT is made to the schools only, the schools shall provide compensation/service agreements with the other taxing authorities.

⁴ If the amount or term of the abatement exceed 75% or 10 years respectively in a municipality or 60% or 10 years respectively in a township, school board approval is required. If the project is a remodel of an existing structure the term of the abatement cannot exceed 12 years.

Rules and Guidelines:

- A. Abatement Determination - A project shall comply with Column 2 (Improvement Value) and either Column 3 (Jobs) or Column 4 (Payroll) within three years from the time of building occupancy unless otherwise negotiated. To determine the amount/term of the abatement, find the improvement value amount in Column 2 and if the Level of the improvement value coincides with the number of jobs threshold (Column 3) or the payroll threshold (Column 4) then

continue to Column 5 and Column 6 to determine the amount of abatement and the term. However, if the improvement value threshold is satisfied but the jobs or payroll thresholds are not satisfied, then the amount and term of the abatement shall be reduced until either the jobs or payroll are satisfied. For example, if a project has an improvement level of \$2,000,000.00 but only has 20 jobs or a payroll of \$700,000.00, the qualifying abatement will be 45% for 7 years. Improvement value in Column 2 shall always be satisfied.

- B. Created and Retained Jobs - Created jobs shall be preferred; however, retained jobs shall also count towards the totals listed in this formula. For retained jobs, the Company must provide satisfactory verification that jobs will be lost without proposed expansion and abatement.
- C. Retention Bonus - Projects which involve expansions to existing Union County companies (retention) are eligible (negotiated) for up to an additional 10% amount of abatement and up to an additional two years of term.
- D. Annual Payroll Bonus - Projects that provide an annual payroll of \$50,000/job are eligible (negotiated) for an additional 5% amount of abatement and up to an additional two years of term.
- E. Targeted Company Bonus - Projects which provide a use and jobs related to a target industry as outlined in the Union County Economic Development Strategy are eligible (negotiated) for up to an additional 10% amount of abatement and up to an additional two years of term.
- F. High Tech/R&D Bonus - Projects which are considered to be high technology or research and development in use and jobs are eligible (negotiated) for up to an additional 5% amount of abatement and up to an additional two years of term.
- G. Relocation Projects - Use of tax abatements for a company relocating from one jurisdiction in Union County or Madison County to another jurisdiction in one of the counties shall be discouraged unless the company can prove that: (1) it cannot expand in its current location, (2) it has searched for other sites and buildings in its current community, and (3) it is considering relocating outside the County. A relocation project is also required to receive approval from the Ohio Development Services Agency.
- H. Variance to Thresholds - These thresholds are meant to be guidelines to determine the amount/term of the abatements. On projects that are determined to have a major impact on the community, the amount and term of the abatement can be increased with the required approvals. However, it shall be the intent of the parties to remain within these thresholds when feasible, and exceptions shall be made only for special circumstances.

V. CRA # 3 – Plain City US 42 Corridor South – Industrial, Office, Service or Hotel Projects Only (retail permitted as long as it is complementary to one of the listed uses above)

For qualifying new construction including expansion or remodel projects in CRA # 3 – Plain City, the following thresholds shall apply:

Column 1	Column 2	Column 3	Column 4	Column 5	Column 6
Project Levels	Minimum Improvement Value (100% RP + 50% PP) ¹	Minimum # of Jobs	Minimum Annual Payroll ²	Amount of Abatement ³	Term of Abatement ⁴
Level 1	\$500,000.00	15	\$525,000.00	25%	5 Years
Level 2	\$700,000.00	20	\$700,000.00	35%	5 Years
Level 3	\$1,000,000.00	20	\$700,000.00	45%	7 Years
Level 4	\$1,500,000.00	30	\$1,050,000.00	55%	8 Years
Level 5	\$2,000,000.00	30	\$1,050,000.00	65%	9 Years
Level 6	\$3,000,000.00	35	\$1,225,000.00	75%	10 Years
Level 7	\$5,000,000.00	50	\$1,750,000.00	75%	12 Years
Level 8	\$20,000,000.00	75	\$2,625,000.00	75%	15 Years

Footnotes:

¹ Improvement value equals 100% of the real property (RP) construction value plus 50% of the personal property (PP) construction value investment for a project. For a project to be eligible at least \$400,000.00 of real property has to be invested. For example, a new addition or a new building which has a value of \$1,000,000.00 in real property and a value of \$1,000,000.00 in new personal property (M&E, inventory, F&F) would have an improvement value of \$1,500,000.00 (100% of \$1,000,000.00 real property and 50% of \$1,000,000.00 personal property).

² Payroll is determined by multiplying the minimum number of jobs by \$35,000.00 (annual salary). Total payroll projects which exceed \$1,000,000.00 annually require a municipal/school tax sharing agreement.

³ Projects in Levels 6, 7, or 8 may exceed 75% only if a Payment In Lieu of Taxes (PILOT) is made to the schools and/or taxing authorities. The PILOT amount shall be such that the resulting abatement shall equal not more than 75%. If a PILOT is made to the schools only, the schools shall provide compensation/service agreements with the other taxing authorities.

⁴ If the amount or term of the abatement exceed 75% or 10 years respectively in a municipality or 60% or 10 years respectively in a township, school board approval is required. If the project is a remodel of an existing structure the term of the abatement cannot exceed 12 years.

Rules and Guidelines:

- A. Abatement Determination - A project shall comply with Column 2 (Improvement Value) and either Column 3 (Jobs) or Column 4 (Payroll) within three years from the time of building occupancy unless otherwise negotiated. To determine the amount/term of the abatement, find the improvement value amount in Column 2 and if the Level of the improvement value coincides with the number of jobs threshold (Column 3) or the payroll threshold (Column 4) then continue to Column 5 and Column 6 to determine the amount of abatement and the term. However, if the improvement value threshold is satisfied but the jobs or payroll thresholds are not satisfied, then the amount and term of the abatement shall be reduced until either the jobs or payroll are satisfied. For example, if a project has an improvement level of \$2,000,000.00 but only has 20 jobs or a payroll of \$700,000.00, the qualifying abatement will be 45% for 7 years. Improvement value in Column 2 shall always be satisfied.
- B. Created and Retained Jobs - Created jobs shall be preferred; however, retained jobs shall also count towards the totals listed in this formula. For retained jobs, the Company must provide satisfactory verification that jobs will be lost without proposed expansion and abatement.
- C. Retention Bonus - Projects which involve expansions to existing Madison County companies (retention) are eligible (negotiated) for up to an additional 10% amount of abatement and up to an additional two years of term.
- D. Annual Payroll Bonus - Projects that provide an annual payroll of \$50,000/job are eligible (negotiated) for an additional 5% amount of abatement and up to an additional two years of term.
- E. Targeted Company Bonus - Projects which provide a use and jobs related to a target industry as outlined in the Union County Economic Development Strategy are eligible (negotiated) for up to an additional 10% amount of abatement and up to an additional two years of term.
- F. High Tech/R&D Bonus - Projects which are considered to be high technology or research and development in use and jobs are eligible (negotiated) for up to an additional 5% amount of abatement and up to an additional two years of term.
- G. Relocation Projects - Use of tax abatements for a company relocating from one jurisdiction in Union County or Madison County to another jurisdiction in one of the counties shall be discouraged unless the company can prove that: (1) it cannot expand in its current location, (2) it has searched for other sites and buildings in its current community, and (3) it is considering relocating outside the County. A relocation project is also required to receive approval from the Ohio Development Services Agency.
- H. Variance to Thresholds - These thresholds are meant to be guidelines to determine the amount/term of the abatements. On projects that are determined to have a major impact on the community, the amount and term of the abatement can be increased with the required approvals. However, it shall be the intent of the parties to remain within these thresholds when feasible, and exceptions shall be made only for special circumstances.

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