

SOUTHERN DISTRICT ENTERPRISE ZONE PROGRAM



Overview

The Ohio Enterprise Zone Program allows for special tax incentives to be offered, by contract, to non-retail businesses which agree to invest in real property and create or retain jobs. These incentives take the form of a partial exemption, or reduction, of increased property taxes that are generated as a result of new capital investment. In Union County, the Southern District Enterprise Zone (a.k.a. EZ 178 C) has been established in the City of Marysville, Paris Township, Union Township, and portions of Jerome and Millcreek Townships.

Program Benefits

Businesses may receive substantial tax reductions on real property investments. The amount of the tax exemption is negotiated on a case-by-case basis and varies according to the size of the investment, the number of jobs created or retained, and associated payroll.

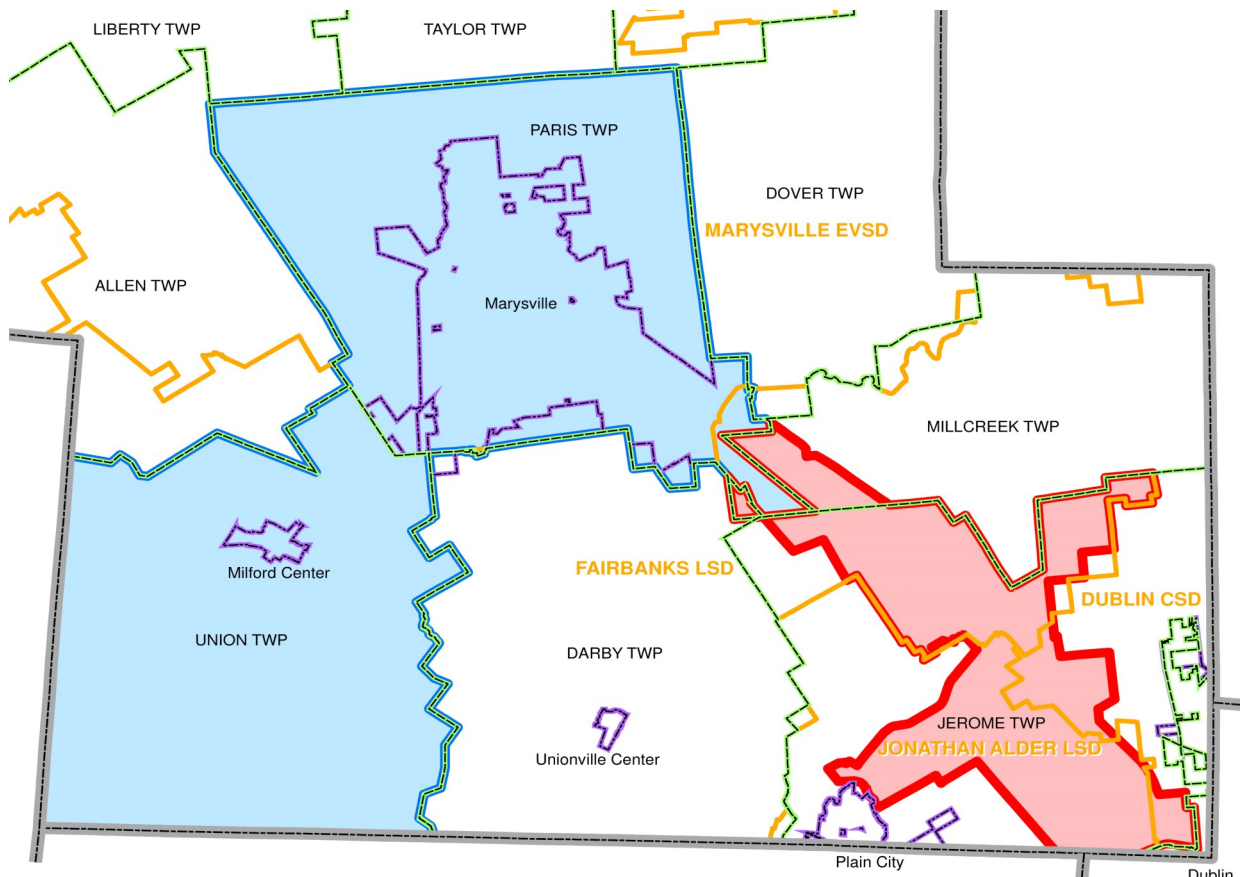
Eligibility

Businesses must finalize an Enterprise Zone Agreement prior to project initiation, agree to retain or create employment, and establish, expand, renovate, or occupy a facility within the Enterprise Zone. Businesses that are retail in nature are ineligible. Additional eligibility requirements apply. Please see the reverse of this flyer for more information.

Abatement Rates/Terms

The Southern District Enterprise Zone program allows for up to 100% exemption for 15 years. School board approval is required for abatements in excess of 75% in incorporated areas or 60% in unincorporated areas (townships); and those which exceed a 10 year term.

Southern District Enterprise Zone Boundary



Southern District Enterprise Zone Tax Abatement Thresholds

Calculations to Determine the Amount and Term of Abatements

The amount of tax exemption is negotiated on a case-by-case basis and varies according to the size of the investment, jobs created and other factors. An agreement must be in place between the company and Union County before the project commences. If the eligible project will reduce investment or employment at another company site in Ohio, a Relocation Waiver must be obtained from the Ohio Development Services Agency.

Please refer to the table below which provides the Southern District Enterprise Zone tax abatement thresholds. This table 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.

| Project Levels | Improvement Values RP/PP (min.) | Number of Jobs (min.) | Payroll (min.) | Amount of Abatement | Term of Abatement |
|----------------|---------------------------------|-----------------------|----------------|---------------------|-------------------|
| Level I | \$ 700,000 | 15 | \$ 525,000 | 25% | 5 Years |
| Level II | \$ 1,000,000 | 20 | \$ 700,000 | 35% | 5 Years |
| Level III | \$ 2,000,000 | 25 | \$ 875,000 | 45% | 7 Years |
| Level IV | \$ 2,500,000 | 40 | \$ 1,400,000 | 55% | 8 Years |
| Level V | \$ 3,000,000 | 50 | \$ 1,750,000 | 65% | 9 Years |
| Level VI | \$ 4,000,000 | 75 | \$ 2,625,000 | 75% | 10 Years |
| Level VII | \$ 10,000,000 | 100 | \$ 3,500,000 | 75% | 12 Years |
| Level VIII | \$ 20,000,000 | 100 | \$ 3,500,000 | 75% | 15 Years |

The abatement agreement shall, at a minimum, meet the following terms and conditions:

1. The Southern District Enterprise Zone allows tax abatements on real property up to 100% for up to 15 years;
2. School board approval is required for any abatement that exceeds a 10 year term;
3. School board approval is required for any abatement that exceeds an amount above 75% in incorporated areas or 60% in unincorporated areas;
4. If the amount of any abatement exceeds 75%, companies shall be required 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;
5. When annual payroll for a project exceeds \$1,000,000 in an area which has an income tax, a revenue sharing agreement is required between the affected jurisdiction and the affected school district;
6. In addition to PILOT payments described above or any other requirements in the Union County Economic Development Incentive Policy, 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.
7. Companies which receive a tax abatement shall invest into the economic development efforts of Union County; and
8. All State requirements for Enterprise Zones as established by the Ohio Revised Code and by the Ohio Department of Development shall be met.

Approval Process

A company wishing to obtain incentives through the Enterprise Zone program must complete the following steps:

1. Meet with the Economic Development Office to discuss proposed project, program guidelines, and application process.
2. The local community will recommend a level of incentives to be offered based on the project investment and other factors.
3. Complete a State of Ohio EZ Application and submit to the Economic Development Office.
4. Complete and submit a Relocation Waiver (if necessary) to the Ohio Development Services Agency. This step is only necessary if the company is reducing investment or employment at another company site in Ohio.
5. A representative of the Economic Development Office will meet with the applicant to review the application, discuss reporting requirements, and provide estimated dates when the agreement would be reviewed by the local community (city or township) and the county.
6. The local community's legislative body (city council or township trustees) considers the application at a regular meeting.
7. If approved by the local community's legislative body, the Union County Board of Commissioners then considers the application for approval.

Please contact the Union County-Marysville Economic Development Office by calling 937.642.6279 for more information.