



Enterprise Zone Application

Sandusky County Economic Development Corp.

Economic Assistance Program

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ENTERPRISE ZONE POLICY

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I. Introduction

The purpose of this document is to foster economic and community development by utilizing real and personal property tax abatement incentives. The creation of this enterprise zone is intended as a means of fostering the creation of new jobs, as well as, the retention of existing employment. Selected businesses and industries are being targeted to be eligible for tax incentives for abatement of new taxes that would otherwise result from selected expansions, renovations and new construction.

An eligible business/industry seeking tax abatement must make application for said abatement with the Township's Enterprise Zone Coordinator. The terms of each agreement for abatement are determined through negotiations between the applicant and the Enterprise Zone Coordinator. Final approval of the negotiated agreement rests with both Township Trustees and the Board of Sandusky County Commissioners. The final approved agreement is a public document and thus open to public inspection.

II. Eligible Businesses

Manufacturing, Warehousing, Regional Grain Elevators, Research and Development and Distribution Center operations within the Enterprise Zone are eligible to apply for tax abatement under this program. Under Ohio law, only those businesses that are "qualified by financial responsibility and business experience to create and preserve employee opportunities in the Zone and to improve the economic climate of Sandusky Township" are eligible for tax incentives.

Retail Business, Housing, and Institutional uses shall not be qualified for tax incentive under this Enterprise Zone program.

This program offers partial tax abatement of both increases in real and personal taxes resultant from the construction, expansion, occupation of vacant structures or other establishment of an eligible business provided said investment meets the threshold requirements contained in this document.

III. Eligible Activities

Only businesses undertaking specific, defined projects that invest in buildings, machines and equipment and which retain and/or creates full time jobs are eligible for Enterprise Zone tax incentives.

Under this program there are four types of eligible projects:

1. Establishing a new business.
2. Expanding an existing business by adding buildings, or machinery and equipment to an existing facility equaling at least ten percent (10%) of the market value of the facility prior to such expenditure.
3. Renovations of an existing facility that equals at least fifty percent (50%) of the market value prior to the renovation.

4. Occupying a facility where expenditures are made to alter or repair the vacant facility equal to at least twenty percent (20%) of the market value of the facility prior to such expenditure.

IV. Incentives Offered

Increases in both real (excluding land) and personal property taxes may receive abatement if five (5) or more jobs are created or retained, as follows:

1. One percent (1%) abatement of real property taxes may be granted for each new job created to a maximum of fifty percent (50%).
2. Two percent (2%) abatement of personal property taxes may be granted for each new job created to a maximum of seventy-five percent (75%).
3. Two percent (2%) abatement of real and personal property taxes may be abated for each job retained to a maximum of twenty-five percent (25%).

To be considered a “job created”, there must be a net increase in total employment, the job must be full time (1,800 hours per year), the place of work must be within the Enterprise Zone, and there can be no corresponding decreases in employment with that employer within the Township. All new jobs claimed must be created within two years of the agreement. All retained jobs claimed must continue to exist for the entire term of the agreement. An application can be made to abate both real and personal property, but an application must be based on either new jobs or retained jobs, but not both.

Employment levels will be monitored not less than annually and tax incentives granted will be amended (increased or decreased) if the actual employment levels differ from those used to determine the abatement. In no case can abatement be increased above the ceiling set for the particular type of investment.

In addition to the other requirements, the Enterprise Zone agreement shall call for good faith efforts to be made to employ persons living within Sandusky County.

V. Limitations

Due to the potential loss of existing school revenue, this program will not grant real property tax abatement for land. Inventory is not eligible for abatement of personal property taxes.

Tax abatement offered is only on the additional taxes that would have otherwise occurred due to the expansion. No Enterprise Zone agreement shall serve to reduce existing (pre-expansion, construction, or renovation) taxes.

Local officials shall address how any proposed abatement will effect existing businesses and determine viability and necessity of any project applying for abatement. It is not mandatory for the Township to give abatement for a project that qualifies under the terms of this document.

Minimum threshold requirements for projects to be deemed eligible include:

1. Projects that create or retain five (5) full time jobs.

2. A net increase in combined real and personal property taxes after abatement of at least \$2,500.00.

VI. Period

Tax abatement qualified by employment increases shall run for a period not to exceed five (5) years. Tax abatement qualifying by retention shall run for a period not to exceed three (3) years.

There shall be no retroactivity and no abatement shall be made available for any work performed prior to the approval of the application and the granting of abatement.

VII. Continuing Obligation

During the terms of an Enterprise Zone agreement, the business involved must cooperate with the administering officials by providing any information requested to ensure compliance with the terms of the agreement.

APPLICATION PROCESS

An application for Enterprise Zone benefits will be processed through the following steps:

1. The firm must file an application with the Enterprise Zone Coordinator on a form prescribed by Sandusky County and the State of Ohio. Upon calculations of actual tax savings, a processing fee equal to one (1) percent of an annual tax savings will be paid to the Enterprise Zone Coordinator. This one time, nonrefundable fee, shall not be less than \$100.00 nor more than \$1,000.00.
2. The Enterprise Zone, Coordinator will verify the information on the application, review for conformance to the policy and forward their conclusions and recommendations to the appropriate Township Trustees, School Superintendents, Village Mayors and County Commissioners.
3. After receiving recommendations from Township Trustees, School Superintendents and Village Mayors, the County Commissioners will make the final determination.

Upon passage by the Commissioners, the firm will finalize its plans in a development agreement prepared by the County. The project will be reviewed annually by the anniversary date of the agreement by the Tax Incentive Review Council for conformance with the Development Agreement. Failure to comply may result in the loss of incentives granted

14. Total Investment ELIGIBLE for Abatement (Note: Leased tangible personal property is not eligible for abatement, as determined by the Ohio Department of Taxation.)
 \$ _____ (From lines 12)
15. For the total of personal property investment indicated above on lines 12 E and F, show below the projected dollar value in each depreciation schedule:
- | | | |
|------------|-------------|------------|
| I(7yrs.) | III(12yrs.) | V(18yrs) |
| II(10yrs.) | IV(16yrs.) | VI(20yrs.) |
16. Present Current Investment in the New Facility or New Site (if any):
 \$ _____
17. Standard Industrial Classification (SIC) number: _____

CERTIFICATIONS

- A. The applicant believes the information contained hereon and submitted herewith is complete and correct to the vest of his knowledge and belief.
- B. The applicant understands that initiation of the project prior to receiving final County Commissioners approval may jeopardize that approval.
- C. The Applicant understands that, if approved, the information contained on this application will form the basis of a signed Agreement between the applicant firm and the County. State law and local policy require annual monitoring for conformance to that Agreement. Failure to comply may result in loss of incentives.
- D. The applicant hereby certifies the firm is current in all tax obligations to Sandusky County.

Typed Name and Title: _____

Signature: _____

Date: _____

PROJECT COMPLETION SCHEDULE

Indicate pre-project values under “Current” column and value of increases or improvements over each previous year for columns “One” thru “Seven” as appropriate.

Your projected first year for startup of commercial operations resulting from this project is .

	December 31, Project Year							
	Current 20	One 20	Two 20	Three 20	Four 20	Five 20	Six 20	Seven 20
Real Property								
Personal Property								
Inventory								
Employment								
Payroll								