

CITY OF CRESTLINE  
CRAWFORD AND RICHLAND COUNTIES

ENTERPRISE ZONE GUIDELINES  
July 1998

Introduction  
Section I

In an effort to encourage investment in the Crawford/Richland County's industrial base, the County of Crawford and the County of Richland have designated Enterprise Zones pursuant to State law. An Enterprise Zone is an area within which special tax incentives may be offered by contract to enterprises which agree to invest in capital improvements and create or retain jobs. Tax incentives will be offered provided program guidelines are met and a substantial investment is made. Jobs must be either created or retained. Each contract with a business within the Zones relating to jobs, investment, and tax incentives must be submitted to the City of Crestline and the County, for its approval. An approval must be obtained prior to the start of a proposed project to ensure that the highest level of incentives may be offered.

Section II  
Purpose

The purpose of the Enterprise Zone is to encourage as much investment, job creating and job retention as possible within the boundaries of the Enterprise Zones. Each contract negotiated with a local business shall be designed to encourage capital investments while creating or retaining jobs. In return, the County and the City of Crestline will agree to provide only the amount of tax incentives necessary under the circumstances of each transaction.

Section III  
Eligible Businesses

Only those businesses that are, "qualified by financial responsibility and business experience to create and preserve employment opportunities in the Zone and to improve the economic climate of the County..." (Section 5709.63(A), Ohio Revised Code) may apply for the tax incentives available. Furthermore, only businesses engaged in manufacturing, warehousing, research and development, and distribution will be eligible to apply for tax incentives. No housing, commercial (retail), or institutional uses may benefit from the Enterprise Zone Program.

Section IV  
Level of Assistance

In order to maximize the collection of new tax revenues, only the minimum abatement necessary to bring about the investment will be offered. No abatement shall exceed 75% of real or personal property tax, nor shall any agreement extend beyond ten (10) years from the date of the original agreement.

Section V  
General Guidelines

I. Degree of Investment

Only businesses that agree to make substantial investment in either real property or personal property shall be eligible to receive the maximum benefits available under the Program. The amount of investment needed to qualify as a substantial investment shall depend on the facts and circumstances of each applying business. Minimum levels for certain classifications of investment are defined in the Ohio Revised Code as meeting the substantial investment requirement. Those are as follows:

1. New Construction – Make expenditures in total project cost of at least \$250,000 unless eight (8) or more jobs are created.
2. Expansion – Make expenditures to add land, buildings, machinery, equipment or other material, except inventory, to a facility that equals at least 10% of the market value of the facility prior to such expenditures, as determined for the purpose of local property taxation.
3. Renovation – Make expenditures to alter or repair a facility that equals at least 50% of the market value of the facility prior to such expenditures, as determined for the purpose of local property taxation.
4. Occupation – Make expenditures to alter or repair a vacant facility equal to at least 20% of the market value of the facility prior to such expenditures, as determined for the purpose of local property taxation.

II. Employment

Any business applying for the incentives available, in addition to the other requirements herein, must agree by contract that their project will result in the creation of new full time jobs or, will preserve employment opportunities for existing employees. The County of

Crawford and the County of Richland have determined that the typical project will involve creation or retention of at least eight (8) jobs.

### III. Hiring Priority Area

For projects involving the creation of new job opportunities, an enterprise may be required, in the Enterprise Zone Agreement, to guarantee a good faith effort to first make jobs available to residents of Crawford County or to residents of Richland County if the investment is made in Richland County; second, to residents of the general area. In this way, the maximum benefit of new job opportunities will accrue to the County in which the investment is made.

### IV. Default and Payback

An enterprise granted tax incentive under the Enterprise Zone Program will be found in default of its obligations under said program guidelines if it does not substantially meet its investment and job creation goals and remain in operation at those levels for at least four years. The penalty for plant closing or substantial reduction in investment and/or employment will be a finding of default and requirement that the equivalent amount of all taxes otherwise abated by the Enterprise Zone Agreement be reinstated and immediately become due and payable to the appropriate subdivision.

### V. Disposal of Property

In the event that a facility receiving tax incentives under the Enterprise Zone Program closes and becomes vacant or unproductive, the County of Crawford or the County of Richland may exercise a first right or refusal to purchase such a facility upon receipt and proof of a bonafide offer from a third party desiring to expand or start-up operations at the facility.

### VI. Other Requirements

In addition to the guidelines set forth herein, any business applying must comply with all other applicable state and local regulations pertaining to the Enterprise Zone Program as well as regulations pertaining to all other aspects of the project such as building and zoning codes. Applicants must submit all information required by the City of Crestline, Crawford County, Richland County or the State of Ohio. The above guidelines are negotiable as part of the Enterprise Zone Agreement, subject to the provisions of the Enterprise Zone statutes, Section 5709.61 et seq., of the Ohio Revised Code and regulations promulgated thereunder.

Section VI  
Administration

I. Principal Only

Only individuals who are principally involved as owner, broker, or landlord of real property, or owner or manager of an enterprise may negotiate with the City of Crestline regarding specific incentives available under the Enterprise Zone Program.

II. Negotiation

The Crawford County Board of Commissioners and the Richland County Board of Commissioners have approved the designation of certain Enterprise Zones. The Boards of Commissioners have also delegated responsibility for negotiating Enterprise Zone Agreements to the City of Crestline. The County of Crawford and the County of Richland agree to notify and include a representative of the appropriate school district in all such negotiations. Issues to be negotiated for inclusion in an Enterprise Zone Agreement include, but are not limited to: the type of tax abatement to be granted; the level of the tax abatement; the term of the tax abatement; income tax revenue sharing requirements; fees to be paid in conjunction with the tax of private investment; number of jobs to be created or retained; special considerations unique to individual projects; and issues relative to items contained in Section 5, I – VI.

III. Tax Incentive Review Council

Pursuant to State Law, a Tax Incentive Review Council has been created to annually monitor compliance with the terms of all Enterprise Zone Agreements. The Tax Incentive Review Council shall be composed of three members appointed by the County Commissioners; two members appointed by the City of Crestline, the County Auditor, or his/her designee; and a representative of the appropriate school districts.

This Tax Incentive Review Council shall review all agreements annually to determine whether enterprises have complied with the terms of such agreements and to make recommendations regarding each agreement to the City of Crestline and the County Commissioners. The City of Crestline and the County may take any action or seek any remedy available to it to obtain compliance with the terms and provisions of an Enterprise Zone Agreement.

#### IV. Continuing Obligation

During the term of any approved Agreement, the enterprise involved must continue to cooperate with local and State officials by providing any information requested to ensure compliance with the terms of the Enterprise Zone Agreement.

#### V. Expiration

Pursuant to State law, the deadline for executing agreements under the Enterprise Zone legislation shall be. Any agreement negotiated prior to that time for tax incentives under the Enterprise Zone Program for a period extending beyond the deadline shall remain in full force and effect until the end of the term or termination of the agreement.

#### VI. Application Process

An application for tax incentives under the Enterprise Zone Program should be processed through the following steps:

1. The enterprise must file an application with the City of Crestline on a form provided for that purpose. See attached form.
2. The City, or its administrative consultant, will verify the information presented in the application and provide assistance necessary for its completion.
3. The analysis and recommendations will be forwarded to the Crestline Enterprise Zone Negotiation Team for negotiation of the Enterprise Zone Agreement. Submission of an application does not guarantee that negotiations will be successful.
4. Upon adoption of an agreement by the City of Crestline and approval by the County Commissioners, the enterprise will finalize its plans as outlined in the agreement.
5. The project will be reviewed annually by the Tax Incentive Review Council for conformance with the Agreement. The City will obtain the information necessary for the Council to determine whether the enterprise is meeting its obligations under the agreement and to recommend any actions to ensure performance. An annual monitoring fee of \$500 will be made payable to the City of Crestline.