



City of Ashland, Ohio

Enterprise Zone Policy Guidelines

INTRODUCTION

In an effort to spur revitalization and growth, Ashland has designated an Enterprise Zone pursuant to state law.

PURPOSE

The purpose of the Enterprise Zone is to encourage investment and job creation within the boundaries of the Enterprise Zone. Each contract negotiated, shall be designed to spur capital investment while creating or retaining jobs. The City will evaluate each project on an individual basis to determine the appropriate incentive level.

ELIGIBLE BUSINESSES

- ◆ Manufacturing
- ◆ Research & Development
- ◆ Distribution

ELIGIBILITY DETERMINANTS (The project must meet one of the four following definitions)

- 1. Establish** *The creation of a facility which is determined to entail significant investment in real and/or personal property other than inventory at a location where the business had not previously operated.*
- 2. Expand** *To add land, buildings, machinery, equipment, or other materials except inventory to a facility that equal at least 10% of market value of the facility before such expenditures.*
- 3. Renovate** *To make expenditures to alter or repair a facility that equal at least 50% of the market value of the facility prior to such expenditures.*
- 4. Occupy** *To 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.*

COMMUNITY ASSISTANCE

State law permits up to 75 percent abatement of **new** real property taxes for a period up to 10 years (or 15 with school board approval). The maximum allowable abatement in amount and duration will only be offered when absolutely necessary to bring about the investment. A minimum of 14 days prior to local government taking formal action, the affected school board must be notified of the tax exemption request, given a copy of the application for exemptions and given an opportunity to comment on the proposal. Proposals, which **exceed** the stated incentive limit of 75%, require approval of the affected board of education to be valid. A minimum of a 45 business days notice prior to the scheduled local government review date must be given.

NO RETROACTIVITY

Any business interested in receiving the tax incentives must show that the incentives requested are essential to cause the investment and, if not for the available tax incentives, the investment would not have been made. **A formal Enterprise Zone Agreement must be executed prior to the beginning of the project.**

LOCATION WITHIN THE ZONE

The entire City of Ashland is an Enterprise Zone.

OTHER REQUIREMENTS

In addition to the guidelines set forth herein, any business applying must comply with all other applicable local, county and state regulations pertaining to the Enterprise Zone Program. Applicants must submit all information required by the City, Ashland County and/or the State of Ohio.

PRINCIPALS ONLY

Only individuals who are principally involved as an owner or manager of a business interested in the Enterprise Zone tax incentives may negotiate with the City's negotiation committee regarding the specific incentives available under the terms of any investment agreement. Landlords of property, rather than brokers, may negotiate for tax incentives relative to real property improvements.

TAX INCENTIVE REVIEW COUNCIL

Pursuant to state law, the Tax Incentive Review Council will monitor compliance and review all agreements each year.

CONTINUING OBLIGATION

During the term of any approved agreement, the business involved must continue to cooperate with the affected City officials by providing any information requested to ensure compliance with the terms of the tax incentive agreement.

FEES

\$750.00 Application fee to the Ohio Department of Development

\$750.00 Application fee to the City of Ashland

\$500.00 (or 1% of savings) Annual Maintenance fee for the term of the agreement to the City of Ashland.

Include an itemization of the value of machinery, equipment, furniture and fixtures that already exist within the confines of the existing facility and/or another facility within the State of Ohio, that will not be exempted from taxation.

FOR ADDITIONAL INFORMATION, CONTACT:

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