

CITY OF SYLVANIA JOB CREATION PROGRAM APPLICATION & GUIDELINES

PURPOSE: The purpose of the program is to maintain Sylvania's competitiveness as a location for new businesses and the expansion of existing businesses. This program may be used in conjunction with other financing and incentive programs available through the federal government, the State of Ohio, and / or the Toledo-Lucas County Port Authority. Job Creation Program benefits are generally not intended to be used with other City of Sylvania tax incentives. When available, property tax abatement is to be favored over the Job Creation Program as the preferred method of economic incentive.

GOAL: The goal of the Job Creation Program is to provide an incentive to companies investing in the City of Sylvania.

ELIGIBLE APPLICANTS: Any private company located or locating within the City of Sylvania, which will increase job opportunities and annual payroll, is eligible to submit an application for this Job Creation Program. Governmental or non-profit entities may also be eligible provided such applicant may not receive property tax abatement, nor occupy tax abated or tax-exempt property, during the duration of its Job Creation Program benefit. All applicants must clearly demonstrate a need for the grant above and beyond mere entitlement. Preference will be given to corporate offices and similar types of facilities. Commercial retail operations are not eligible.

APPLICATION PROCESS: Applications are available at the City of Sylvania Administration Building, 6730 Monroe Street, 2nd Floor and can be obtained from the Economic Development Director or Finance Director. There is a \$200 application fee to apply for the incentive.

FINAL APPROVAL: The Council of the City of Sylvania has the final approval of all grant applications. Grants will be awarded on a first come - first served basis, until all appropriated funds are utilized. Payments of grants in future years will be conditional upon and subject to appropriations of non-tax revenues by Council for such payments.

DETERMINATION OF GRANT AMOUNT: The specific grant to any one company will be based upon the company's gross payroll and the amount of municipal income tax such a payroll will generate in the City of Sylvania.

AMOUNT OF GRANT (Creation Projects): The amount granted will be up to one-third of the amount projected to be paid in municipal income taxes in the first year after the project is completed. The grant is based on a minimum of \$500,000 of new or increased payroll and five (5) new jobs as a result of the expansion or relocation project. The amount would increase in multiples of \$100 of annual payment per \$20,000 of payroll up to a maximum of \$50,000.

For example, a company with a "Year 1" payroll of \$1 million with a minimum of fifteen (15) employees which located in Sylvania in "Year 2" could receive a grant of \$5,000 ($\$1 \text{ million} \times .015 = \$15,000$ divided by 3 = \$5,000). Note that grant payments are made one year in arrears for payroll and employment verification purposes.

An existing company which is expanding is also eligible for the grant based upon the increased payroll and additional employees resulting from the expansion.

The dollar amount of the grant is calculated based on information provided to the City at the time of the grant request. Once the grant amount is determined, it will not be increased during the grant period. However, if the annual payroll decreases, the grant payment would be decreased proportionally.

The projected annual payroll must be maintained throughout the duration of the grant period in order to maintain the amount of the annual grant payment.

No grant award will exceed \$250,000, payable in five (5) annual payments of up to \$50,000 each.

TERMS OF THE GRANT:

Applicant company must complete and submit an application form, with documentation as required by the City.

All applicants must make a brief presentation to Sylvania City Council prior to legislative action by Council approving or disapproving the jobs grant application. The presentation should briefly explain the nature of the company, project, and the necessity of the jobs grant.

To be eligible for jobs grant benefits, applicants must have approval of their jobs grant application by Sylvania City Council prior to the start of their project. The execution of a lease, purchase agreement, or construction contract is generally considered to denote the start of a project.

The grant will be for a fixed number of years, not to exceed five (5). The number of years will be determined by the number of jobs created by the company locating or expanding. All grant projects and payments will be adjusted to a calendar year basis.

Should the number of jobs decrease during the grant period, the number of years that the payments will be awarded will be decreased accordingly. The maximum years of eligibility are five (5).

If any company receiving a grant award is considering a second expansion project, it is eligible to apply for a second grant award. However, Council will make the final decision as to whether or not to grant a second award to a company.

The acceptance of jobs grant benefits from the City of Sylvania will require a contractual commitment on the part of the applicant to substantially maintain the subject project operations in the City of Sylvania for a period of time equal to a ratio of 1.5 years per approved grant year (example: 5 year jobs grant = 7 ½ year commitment to remain in Sylvania). Failure by the applicant to abide by this commitment may require the applicant to reimburse the City of Sylvania 100% of said job grant benefits paid to the applicant in relation to the approved project.

Job grant benefits may only be assigned to a successor company (in the event of a transfer in ownership) by action of the Sylvania City Council.

COMPLIANCE REQUIREMENTS:

In order to receive approved jobs grant benefits, the company must annually make application to the Director of Finance on forms that he may from time to time prescribe. Such payment application shall provide job creation documentation and related information for the preceding grant year.

The company must be current on all other taxes, assessments, and Revolving Loan Fund payments, if applicable, and must certify that it will remain so.

The company and the City of Sylvania will execute a contract stating the amount of the grant award, the term of the award, any other terms and conditions, and what the company must do to receive the remaining grant payments.

If there are any potential conflicts of interest, the State of Ohio ethics rules will apply.