

Coshocton Port Authority Fact Sheet



GRANTS & SUBSIDIES

Work Force Guarantee Program

The Ohio Department of Development's Work Force Guarantee Program provides customized training grants aimed at creating and retaining jobs via the improvement of worker skills and abilities in expanding industries and emerging technologies. Through the program, the state can reimburse a company for up to one-half of the instructional costs for eligible training, excluding trainee wages. The amount of grant will depend upon the wages of jobs, cost of training, and eligible expenses. While the Ohio Workforce Guarantee has been used in a wide variety of economic incentive packages aimed at attracting and retaining Ohio jobs, the program's focus is on targeted industries, and funding training that results in transferable skills, as evidenced by portable credentials. Targeted industry sectors include Logistics, Information Technology, Advanced Manufacturing, Bioscience, Advanced Energy, Agriculture/Agribusiness, and Healthcare.

Infrastructure Grants

The Ohio Department of Development has funds through various sources (such as Roadwork Development Account, Community Development Block Grant, and Appalachian Regional Commission) available for infrastructure improvements serving a project site. The funds are usually granted to a community. Eligible activities can include water or sewer line extensions, road upgrades, and rail spurs. The Department usually funds only a portion of any such project and works with the company and local community to complete the required financing. The actual grant amount will be determined by fund availability, the costs of the infrastructure improvements and the number of jobs related to the project.

Rapid Outreach Grant

The Ohio Department of Development controls the Rapid Outreach Grant program. Funds are for on- or off- site infrastructure improvements, including water, sewer, road, and rail improvements. Funds are often used for the acquisition of machinery and equipment. These funds are given to companies primarily engaged in manufacturing, research and development, high technology, corporate headquarters, and distribution. Given the demand for limited grant funds, qualified projects must involve substantial job creation or retention, and all other public and private sources of financing must be considered before the availability of Rapid Outreach funding is determined.

Coshocton Port Authority Fact Sheet



GRANTS & SUBSIDIES CONTINUED

Advanced Energy Development & Utilization

Ohio Advanced Energy Fund: Administered by the Ohio Energy Resources Division of the Ohio Department of Development. The Ohio Advanced Energy Fund connects companies and communities with financial and technical resources to deploy energy efficiency and renewable energy technologies, and to support advanced energy economic development.

Ohio Energy Gateway Fund

The State of Ohio established the Ohio Energy Gateway Fund to co-invest \$40 million in advanced energy projects and companies. The Fund created a partnership with private capital in order to significantly leverage the state's original commitment of stimulus funds. The fund is a \$40 million commitment of Advanced Energy Stimulus funds from the Ohio Jobs Stimulus Plan and American Recovery and Reinvestment Act State Energy Program funds. The goal of the fund will be job creation and growth in the primary and supplier network of the advanced energy sector within Ohio. Supporting transformational projects that will result in the creation of jobs, the Fund will accelerate projects in a wide range of areas, including wind, solar, geothermal, solid waste, energy efficiency, hydroelectric, electric batteries and fuel cells, energy storage, advanced solid waste, and generation III nuclear.

Advanced Energy Stimulus for Ohio and Conduit Financing

Administered by the Ohio Air Quality Development Authority, the Bipartisan Job Stimulus Package created a \$150-million advanced energy jobs stimulus fund. Funding is issued through a competitive application basis in the form of partially forgivable loans. The Ohio Air Quality Development Authority also has the ability to issue conduit bonds for projects that improve the air quality of the State of Ohio. Such projects include, but are not limited to, air pollution control, air pollution prevention, energy efficiency, advanced energy technologies, and the manufacturing of those technologies. The Ohio Air Quality Development Authorities can convey significant tax benefits to eligible projects.

GRANTS & SUBSIDIES CONTINUED

Coshocton Port Authority Fact Sheet



Community Development Fund

The CDC proceeds are managed by the Coshocton Foundation and can only be released by its distribution committee and the Coshocton Port Authority's Board of Directors. This fund is restricted to the following purposes:

Provide financial support for entrepreneurs and small businesses

Acquisition of land and other site development costs associated with establishing or expanding a business or commerce park

Provide lease subsidies or business development grants of up to \$25,000 to private enterprises which will create jobs in Coshocton County

Provide relocation assistance grants of up to \$2,500 for Coshocton County high school graduates who return and create a new business

To fulfill local match requirements for economic development activities supported by the state or federal government

TAX INCENTIVES

Property Tax Exemptions

The Coshocton County Enterprise Zone (EZ) program allows companies to locate a facility in any township, village, or city of Coshocton and receive a partial property tax exemption on new investments in new or significantly improved buildings. The business must create at least two new full-time jobs. The rate and term of the exemption is negotiated by the Coshocton Port Authority.

Coshocton Port Authority Fact Sheet



Authority along with the impacted local governmental jurisdiction, which would include the township, village or the city, and Coshocton County as well as the public school districts(s).

Coshocton (City) Job Creation Tax Credit Program

Enacted in Coshocton County in July, 2007, this program allows eligible companies to claim credit against its city business or personal income tax for up to 15 years if it is creating at least 25 new, full-time jobs paying 150% of the federal minimum wage.

Job Creation Tax Credit (JCTC)

Ohio's JCTC allows companies creating new jobs in Ohio to apply for a credit or refund on their state income tax for s-corporations or commercial activity tax for c-corporations. The credit is measured as a percentage of state income tax revenue withheld by the business for employees hired to fill new jobs. If the annual value of the credit exceeds a company's tax liability, the difference is refunded to the company. A company must create at least 25 new, full-time jobs for Ohio residents in three years to be eligible. The business must apply to the Ohio Department of Development for the credit before committing to the project. The Tax Credit Authority has been approving such applications within the general range of 25% to 50% for a term of five to seven years. A company must meet 11 eligibility requirements to qualify for the credit.

Research and Development Investment Tax Credit

The Research and Development Investment Tax Credit is a non-refundable Ohio commercial activity tax credit for all investment in qualified research expenses incurred in Ohio. Qualified research expenses are based on Section 41 definitions in the United States Internal Revenue Code and include expenses for both in-house and contract research expenses. The amount of the credit is based on 7 percent of the amount of all qualified investment in a specific year. The credit can be carried forward for up to seven years.

FINANCING

166 Direct Loan

The Ohio Department of Development's (ODOD's) 166 Loan Fund can finance land, building, and M&E. The program will finance 30% to 40% of fixed asset costs, or \$15,000 per job to be created, or \$1,000,000, whichever is less. The interest rate is fixed at about 3%-4%. Terms range from 5 to 15 years, depending upon the useful life of the assets being financed.

Coshocton Port Authority Fact Sheet



The use of ODOD loans requires the payment of Ohio's prevailing wage rate on the construction and installation of machinery and equipment. The program will only lend to companies engaged in manufacturing, research & development, distribution and business services with a high percentage of sales outside of Ohio. The program requires completion and approval of a financial assistance application prior to a company committing to move forward with a project. A thorough financial analysis and full collateralization are required for approval. Security enhancement may be required. ODOD will take a shared first mortgage or lien position. ODOD financing is take-out financing, meaning interim financing may be required until construction is complete or M&E is installed. The approval process typically takes 90 days.

Revolving Loan Funds

The Coshocton Port Authority has a Revolving Loan Fund with a focus on helping existing businesses in our community expand and create new jobs. Applicants can request up to \$50,000.00, but not exceed 40% of eligible project costs. It is payable up to a period of 10 years at 2/3 prime rate at the time of closing. This fund has been made available through grants from the Coshocton Foundation, Coshocton Rotary, Montgomery Foundation, Schooler Family Foundation, and grants from the USDA. DO NOT START YOUR PROJECT BEFORE YOU APPLY.

Innovation Ohio Loan Fund

The Innovation Ohio Fund provides loans for acquisition, construction, and related costs of technology, facilities and equipment purchases. The Ohio Department of Development created the fund to assist existing Ohio companies develop next-generation products and services within certain Targeted Industry Sectors. The Innovation Ohio Loan Fund provides competitive financing terms on loans to finance projects that will positively impact Ohio by creating high-value jobs, increasing tax revenues, and improving the economic welfare of Ohio.

FINANCING CONTINUED

Research and Development Investment Loan Fund

Research and Development Investment Loan Fund: Direct loan financing of between \$1 million and \$25 million is available for projects primarily engaging in research and development activity. Rates are fixed (currently at 3 percent), with terms similar to those of commercial bank financing. Companies receive a dollar-for-dollar, nonrefundable Ohio commercial activity tax credit for all principal and interest payments during the year.

Coshocton Port Authority Fact Sheet



Ohio Enterprise Bond Fund

Taxable and tax-exempt bond financing is available for projects through the Ohio Department of Development's Ohio Enterprise Bond Fund (OEBF), which can finance up to 90 percent of the project costs to a maximum of \$10 million. The term is subject to negotiation, but may range from 7 to 15 years. The interest rate on these bonds is fixed for the term of the loan and is determined at the time the bonds are issued. The OEBF has an AA- rating from S&P, meaning rates are generally below the rates at which most companies can borrow. The use of OEBF funds requires the payment of Ohio's prevailing wage rate on the construction of any buildings and installation of machinery and equipment. The program requires completion and approval of a financial assistance application prior to a company committing to move forward with a project. A thorough financial analysis and full collateralization are required for approval. Security enhancement may be required. **DO NOT START YOU PROJECT BEFORE YOU APPLY.**

Industrial Development Bonds

The Coshocton Port Authority (CPA) has the ability to issue industrial development bonds for credit-worthy companies undertaking a significant capital project. Bonds issued for manufacturing projects meeting certain guidelines have the ability to be tax-exempt, which lowers the interest rate of the bonds. Projects can be strict conduit financing, or the Port Authority can offer capital lease options. CPA's involvement can offer tax savings and/or work with larger port authorities or the Ohio Enterprise Bond Fund to enhance the credit of a deal. Up to 90% of a capital project can be financed. Companies must be able to demonstrate their financial strength through their financial statements. A debt reserve account and credit enhancement, typically in the form of a letter of credit, may be required. Prevailing wage rates must be paid on construction.

FINANCING CONTINUED

GrowNOW

GrowNOW provides Ohio small businesses with a 3 percent interest rate reduction on bank loans when they are creating or retaining jobs.

For each job your business creates or retains, GrowNOW will reduce your interest rate by 3 percent in \$50,000 increments, up to \$400,000 maximum.

Three percent off of a \$400,000 loan could mean an extra \$24,000 in your pocket over the next two years.

Coshocton Port Authority Fact Sheet



Your business must meet the following criteria

- Employ Less than 150 employees
- Have offices in Ohio
- Be organized for-profit

* GrowNOW gives approval preference to veterans through the Veterans Preference Program.

To process your GrowNOW interest rate reduction, you must first secure a small business loan at an eligible bank.

Once you secure your loan, apply online at the GrowNOW site for your GrowNOW interest rate reduction.

It will take you about 15 minutes to complete the application, and there will be a portion at the end for your banker to sign off.

Click here for more information: <http://tos.ohio.gov/ForBusiness/Default.aspx?Section=GrowNow&SubSection=About%20GrowNOW>