



CITY OF OBERLIN, OHIO Incentive Plan Program Guidelines and Application

Thank you for considering opening, or expanding your business in the City of Oberlin. The City of Oberlin provides a wide variety of incentive and assistance programs to help your business succeed and become a key community partner.

Please read the following list of necessary items to ensure that your application is complete and that your project can meet the following requirements.

GENERAL PARAMETERS

- A. **PURPOSE:** To foster a business friendly environment wherein new businesses are encouraged to locate in the City of Oberlin and existing businesses are encouraged to expand within the City.

The Oberlin City Council has adopted the Incentive Plan (the Plan) Program in order to nurture an environment in which City government, businesses and other organizations form community partnerships by providing job opportunities for residents and help sustain the many municipal services.

- B. **ELIGIBILITY REQUIREMENTS:** Must be a for-profit business located within the City of Oberlin. Businesses may be new to the City or an expansion of an existing business. Eligible businesses must create and maintain a payroll at an agreed upon level to receive incentives. Application for incentives must be received no less than 30 days prior to relocation /expansion.

An Incentive Plan Agreement must be signed that will specify a company's commitments including starting payrolls and estimated annual payroll increases and the incentive terms provided for under the terms of the Plan.

- C. **TYPES OF AVAILABLE ASSISTANCE:** Assistance provided under this program may come from either or both of the following programs:
1. **ONE TIME INCENTIVE:** The Lump Sum Economic Development Incentive is designed to provide up-front assistance to encourage a business to locate or expand in the City of Oberlin. This incentive is contingent upon the business creating jobs in the City of Oberlin. This one-time grant is payable at the signing of the Incentive Agreement and is limited to a maximum of \$10,000 based upon projected City of Oberlin income taxes as follows:

PROJECTED NEW OR EXPANDED PAYROLLS	INCENTIVE AMOUNT
\$100,000 - \$199,000	Up to \$4,000
\$200,000 - \$299,000	Up to \$6,000
\$300,000 - \$399,000	Up to \$8,000
\$400,000 +	Up to \$10,000

- This incentive program is designed to provide financial assistance to small companies (those with estimated new or expanded payroll in the first 12 months of operations of less than \$500,000) to assist with such one-time expenses as moving, initiation of utility services, etc. and cannot be applied for retroactively. The incentive may be used in conjunction with other local, county, state and federal programs.
- The incentive amount will be determined in part by the company's initial twelve months of projected new or expanded payroll within a specified time frame resulting from the company's project.
- Awards are not guaranteed. Any award is subject to availability of City funds and the existence of other applicants competing for the same funds. The City of Oberlin, in its sole discretion, reserves the right to determine whether or not to award incentives under this program.
- This one-time incentive requires that the company commit to doing business for a minimum of three (3) years, from the date of the payment of the one-time incentive, within the City.
- Companies awarded incentive funds under this program may be subject to compliance with prevailing wage requirements. Such requirements may be triggered by the combination of this one-time incentive with other incentives or loans from the City of Oberlin and any other government agency.
- Provisions of this program will be enforced by the Incentive Agreement and may require that the company execute security agreements; mortgages and/or UCC financing statements requiring full or partial repayment of the incentive amount should the company not comply with the provisions outlined in the Incentive Agreement. If your project is funded, you will be responsible for providing documentation related to your company's compliance and performance. Evidence of hiring the requisite number of employees and meeting the payroll goals under the stipulations found in the Incentive Agreement are required.

2. PERFORMANCE-BASED INCENTIVE: The performance based incentive program is designed to attract new businesses and encourage the expansion of existing businesses within the City of Oberlin. The program will be funded through non-tax receipts of the City of Oberlin and is intended to create additional economic development activities within the City. This incentive plan may also be used in conjunction with the Community Reinvestment Area tax abatement program, the Enterprise Zone tax abatement program, revolving loan program, SBA loans, or other government loans and incentives.

- Incentives are performance-based. Companies must create and maintain a payroll at an agreed upon level for the term of the Incentive Agreement. The Incentive Agreement will specify performance parameters that must be maintained. Non-compliance with the terms of the Incentive Agreement will result in the revocation or modification of benefits received under this program.
- These incentive grants must be funded with non-tax revenues and will be available only so long as sufficient non-tax revenues exist and are committed to this program. Accordingly, not every applicant can be guaranteed funding under this program. The City of Oberlin, in its sole discretion, reserves the right to determine whether or not to award incentives under this program.

Amount of Performance Based Annual Incentive – The incentive amount will be determined on an annual basis calculated against the qualifying payrolls for the prior year as determined by income tax reports filed by the company with the City of Oberlin Finance Department. The Incentive Agreement will stipulate the amount of the incentive. In general, the Incentive amount will be equal to or less than 50% of the income tax withholdings and 50% of the income tax on net profits that were directly related to the new or expanded business within the City of Oberlin.

- The Incentive Agreement will specify a baseline payroll, estimated annual payroll increases, percentages used to calculate the incentive amount, and other terms and conditions of the grant.
- Annual incentive payments will be determined after examination of a company's income tax records and reports as filed with the City of Oberlin Finance Department.
- An application processing fee of \$500 is required for each performance based incentive application submitted. In addition, for both type of incentive plans the applicant will be responsible for reimbursing the City for any out-of-pocket expenses, including, but not limited to the actual costs of filing fees, title reports and credit bureau reports.
- Companies awarded incentive funds under this program may be subject to compliance with prevailing wage requirements. Such requirements may be triggered by the combination of this one-time incentive with other incentives or loans from the City of Oberlin and any other government agency.

D. APPROVAL CRITERIA: Applications will be screened by City staff or outside consultants with recommendations made to the City Manager. Criteria that will be considered includes:

- Applicant's capacity to create jobs, produce earnings and maintain a positive financial condition.
- The company's management depth, experience and ability to maintain its business as a going concern.
- Special consideration to applicants opening or expanding businesses in targeted areas including but not limited to Downtown Oberlin and Oberlin's industrial parks and to companies providing unusually high paying jobs and/or comprehensive employee benefits.
- Availability of City funds.

E. ANNUAL REPORTING CRITERIA: Each business receiving funding under these programs

will be required to submit an annual report to the City of Oberlin certifying compliance with the terms of their Incentive Agreement. Remedies for non-compliance will be outlined in the terms of the Incentive Agreement.

- F. **INELIGIBLE PROJECTS:** Purchases of existing businesses where no additional payrolls will be created, speculative real estate projects, projects not tied to job creation are ineligible or any other project as determined by the City.

SPECIFIC PROCEDURES/POLICIES

1. The Incentive Application must be filled out completely. Further, you will be asked to provide certain additional information, including but not necessarily limited to:
 - For most businesses a detailed business plan with a market analysis and five-year forecast may be required to help the City reach an informed decision regarding your incentive application. Free help in developing business plans and financial statements is offered in our area by the GLIDE Program at Lorain County Community College 440-365-5222.
 - You may include additional information such as, resumes of principal(s), information on products or services and a detailed list of employment positions to be created and the proposed salaries and benefits for those positions.
 - Lease agreement or proof of property ownership.
2. If your project is funded, you will be required to sign an Incentive Agreement and other related documents.
3. Most incentive applications are processed within 60 days of application.

If you have any questions, contact the following:

**Economic Development Officer
City of Oberlin
Planning and Development Department
69 South Main Street
Oberlin, Ohio 44074
440-775-7257**

**OBERLIN BUSINESS INCENTIVE
PLAN APPLICATION**

A. GENERAL INFORMATION

1. Name of applicant firm: _____
2. Current address: _____
3. Contact person: _____ Telephone: _____
4. Address if different from above: _____
5. Type of business organization (corporation, partnership, etc.): _____
6. Name(s) of principal owner(s) or officer(s): _____
7. Is the business seasonal in nature? _____ Yes _____ No
8. Present number of full time employees: _____ Payroll: \$ _____
9. Proposed number of new or directly retained full time jobs at the project site:
New: _____ Retained: _____
10. Estimated annual payroll generated from the new full time employees, or payroll saved for retained employees: \$ _____

B. PROJECT INFORMATION

11. An estimate of the amounts to be invested in improvement project

	Total Investment	Investment Tied to Job Creation
Purchase of Land/Building		
New Building Construction		
Building Additions		
Improvements to Existing Buildings		
Machinery and Equipment		
Furniture and Fixtures		
Inventory		

12. Total investment amount: \$ _____
13. Present investment in the facility: \$ _____
14. Standard Industrial Classification (SIC Code) Number(s): _____
15. Project Completion Schedule: Show pre-project VALUES under Pre-project column and values of INCREASES or IMPROVEMENTS over each pervious year (NOT cumulatively) for columns one through ten as appropriate for your situation. Project only as far as you are comfortable with investment and job creation estimates. The projected first year for startup of commercial operations resulting from this investment is 200____.

December 31, Project Year:

	Pre-project	One	Two	Three	Four	Five	Six	Seven	Eight	Nine	Ten
Inventory											
Employment											
Payroll											

C. JOB CREATION/ RETENTION INFORMATION

supervisors _____ (full time) _____ (part time)

engineer _____ (full time) _____ (part time)

production _____ (full time) _____ (part time)

clerical _____ (full time) _____ (part time)

maintenance _____ (full time) _____ (part time)

transport _____ (full time) _____ (part time)

other _____ (full time) _____ (part time)

16. Estimated Wage rates of NEW jobs created directly by this project
Please indicate hourly or salary:

Management \$_____ (full time) \$_____ (part time)

Supervisors \$_____ (full time) \$_____ (part time)

Engineer \$_____ (full time) \$_____ (part time)

Production \$_____ (full time) \$_____ (part time)

Clerical \$_____ (full time) \$_____ (part time)

Maintenance \$_____ (full time) \$_____ (part time)

Transport \$_____ (full time) \$_____ (part time)

Other \$_____ (full time) \$_____ (part time)

17. Brief description of BENEFITS for new employees:

18. Brief description of INDIRECT job GAINS or LOSSES that might result at OTHER local firms as a result of your project, if known.

19. Description of other project assistance from governmental or quasi-governmental agencies other than City of Oberlin being requested as part of the project:

C. CERTIFICATION

1. The applicant believes the information contained hereon and submitted herewith is correct to the best of his/her knowledge and belief.
2. The applicant understands the start of the project prior to receiving final City Council approval will jeopardize that approval.
3. The applicant understands that, if approved, the information contained on this application will serve as the basis for a signed agreement between the business and or building owner and the City. A company awarded incentive funds under this program may be subject to compliance with prevailing wage requirements. Such requirements may be triggered by the combination of this incentive with other incentives or loans from the City of Oberlin. Local policy **REQUIRES** annual monitoring for conformance to that agreement. Failure to comply may result in **LOSS OF INCENTIVES**.

Typed name and title: _____

Signature: _____

Date: _____