

181.20 JOB CREATION INCOME TAX CREDIT PROGRAM.

(a) Purpose. There is hereby enacted a Job Creation Income Tax Credit, the purpose of which is to encourage the development of jobs in the Village. The Village Administrator or his/her designee is hereby authorized to administer the program and to take all necessary and appropriate actions to achieve its objectives.

(b) Criteria for Participation. The following are factors to consider in evaluating applications to participate in the Job Creation Tax Credit Program. The Village, in its sole discretion and on a case-by-case basis, may consider applications that do not meet all of the criteria referenced below, if extenuating circumstances exist and the spirit of the program is otherwise satisfied.

(1) Any business entity which commits to the creation of at least twenty-five new full-time or full-time equivalent jobs in the Village may be eligible for the Job Creation Tax Credit. Firms new to the Village and current businesses that are expanding are eligible to participate.

(2) Each applicant shall commit to establish, within no more than three years of the approval of its application, a minimum of twenty-five new jobs in the Village. "New jobs" does not include transfers of jobs from affiliated companies which are already within the Village at the time of the application.

(3) Each applicant must also commit to maintain its pre-application number of jobs and levels of payroll in the Village, and to maintain its operations in the Village at those levels for at least one additional year for each year the tax credit is given.

(4) The Job Creation Tax Credit does not apply to wage and salary increases of jobs existing at the time the application is submitted.

(5) Each applicant must concurrently secure a state tax credit pursuant to a job creation agreement with the State of Ohio as authorized by Ohio Revised Code 122.17.

(6) Each applicant shall document that receiving the Job Creation Tax Credit from the Village is a major factor in the taxpayer's decision to go forward with its creation of new jobs in the Village.

(7) To qualify for this credit, the average wage (factoring in any benefits paid to the employee) of new jobs shall be equivalent to a minimum of 1.75 times the minimum wage established by federal law.

(8) Each applicant shall commit that it will comply with all applicable provisions of the Village's Codified Ordinances.

(c) Income Tax Credits. For those applicants which, in the opinion of the Economic Development Committee, satisfy the standards established in subsection (b) hereof, the following apply:

(1) Income tax credits shall be granted only through a written Job Creation Tax Credit Agreement ("JCTC Agreement") with each participant. Each JCTC Agreement shall be authorized by the Economic Development Committee, in its discretion, and approved by a motion passed by Village Council.

(2) The tax credit granted by this section is a refundable credit against the participant's profit or income tax owed to the Village.

(3) The maximum job creation tax credit will be 50% of the municipal income tax withheld on the qualifying new jobs, with a maximum job creation credit of 40% of the municipal income tax withheld on qualifying new jobs if the participant also has a real estate property tax abatement on the facility where the new jobs are located.

(4) The tax credit shall only apply to income taxes which the Village actually collects from the qualifying new jobs, reduced by any tax credits or refunds granted or paid to said employees.

(5) Once Council has approved the JCTC Agreement, the employer shall be entitled to the credit provided therein for each new job as defined in this section. However, if the participant does not achieve the promised level of job creation within the period prescribed by the JCTC

Agreement (e.g. 25 jobs within the first three years), the participant shall pay to the Village all taxes for which the participant has taken a tax credit under the JCTC Agreement, plus interest at 8% per annum.

(6) The maximum term of credit granted under this section shall not exceed five years; provided that the period may be increased only if necessary to satisfy any local match required by the State of Ohio for securing an Ohio job creation tax credit agreement with the applicant. In no event shall the maximum term be longer than the period allowed under the Ohio tax credit agreement entered into pursuant to Ohio R.C. 122.17.

(7) Tax credits shall not carry forward from one year to the next.

(8) Failure to comply with the terms and conditions of the JCTC Agreement may result in sanctions, up to and including the amendment or termination of the job creation tax credit, as well as liability for repayment of all taxes previously credited to the participant pursuant to said Agreement, plus interest.

(9) The Village Administrator or his/her designee shall annually audit relevant business records of each employer receiving the Job Creation Tax Credit to determine the employer's continued eligibility for the tax credit, as provided by the JCTC Agreement.

(d) Application Confidentiality.

(1) Financial statements and other information (including, but not limited to tax returns) submitted by an applicant to the Village or its officials are not considered public records subject to Ohio R.C. 149.43.

(2) The Mayor, the Village Administrator and the Fiscal Officer may, however, make use of the following information obtained through the Job Creation Tax Credit Program for the purpose of issuing public reports:

- A. Name of the business entity;
- B. Description of the project;
- C. Location of the project;
- D. Number of jobs created and/or retained;
- E. Amount of fixed asset investment in the project;
- F. Percent and terms of the tax credit, dollar value of the tax credit, years the company wants the tax credit to begin and end; and
- G. The business entity's designated contact person, office address, email address, and telephone number.

(3) Notwithstanding the foregoing, the information contained within the Job Creation Income Tax Agreement authorized pursuant to subsection (c)(1) hereof is considered to be a public record.

(4) The Village Administrator, the Fiscal Office and the Village Tax Administrator may also make use of the statements and other information obtained pursuant to this section in enforcing the provisions of this chapter and the Job Creation Tax Credit Agreement, including, if necessary, the use of said information in court proceedings related thereto.

(Ord. 13-148. Passed 1-9-14.)

VILLAGE OF MIDDLEFIELD

Geauga County, Ohio

Municipal Job Creation/Relocation Tax Credit Application

Important: Final Council approval is necessary. Please allow 30 days for processing.

A. GENERAL INFORMATION:

1. Name of applicant firm: _____
2. Current Address: _____

3. Contact Person: _____ Phone: _____
4. Proposed address if different from above: _____

5. Type of business organization (Corporation, Partnership, etc,) _____
_____ In the State of: _____
6. Name(s) of principal owner(s) or officer(s):

7. Is this business seasonal in nature? Yes No
8. Present number of employees: _____ Payroll \$ _____
9. Proposed number of new or relocated jobs for Middlefield site?
New: _____ Relocated: _____
10. Estimated annual payroll generated from the new employees, or relocated employees: \$ _____.

B. JOB CREATION/RETENTION INFORMATION:

11. Number of applicant's current jobs by type:

Management	_____ (full time)	_____ (part time)
Supervisor's	_____ (full time)	_____ (part time)
Engineer's	_____ (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)

12. Number of NEW jobs created:

Management	_____ (full time)	_____ (part time)
Supervisor's	_____ (full time)	_____ (part time)
Engineer's	_____ (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)

13. Wage rates of NEW jobs created:

Management	\$_____ (full time)	\$_____ (part time)
Supervisor's	\$_____ (full time)	\$_____ (part time)
Engineer's	\$_____ (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)

14. Number of RELOCATED jobs:

Management	_____ (full time)	_____ (part time)
Supervisor's	_____ (full time)	_____ (part time)
Engineer's	_____ (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)

15. Wage rates of RELOCATED jobs:

Management	\$_____ (full time)	\$_____ (part time)
Supervisor's	\$_____ (full time)	\$_____ (part time)
Engineer's	\$_____ (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. Brief description of BENEFITS for new employees:

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

18. Description of other project assistance from governmental or quasi-governmental agencies other than the Village of Middlefield:

CERTIFICATION

1. The applicant believes the information contained hereon and submitted herewith is correct to the best of his/her knowledge.
2. The applicant understands that, if approved, the information contained on this application will serve as the basis for a signed agreement between the firm and the Village. State and local policy REQUIRE annual monitoring for conformance to that agreement. Failure to comply may result in loss of Tax credit.
3. The applicant hereby certifies that the firm is current in all tax obligations to both Geauga County and the Village of Middlefield.

Typed Name and Title: _____

Signature: _____ Date: _____