



CONCORD-PAINESVILLE JEDD

AVAILABLE INCENTIVES

JEDD Board approval required:

Infrastructure grants to assist with funding site improvements such as:

- Sanitary sewer tap-in or capacity fees
- Storm water upgrades
- Architectural design enhancements

Incentive Program

- To support job creation within the JEDD

Property Owner Business Tax incentive

- To provide property owners of rental property some relief on net profit tax

JEDD Board and City of Painesville Approval Required:

- Energy Audits

Lake County Commissioner and Concord Township Trustee approval required:

- CRA Tax Abatement: Pre-development agreement and approval required

For more information contact: [Rita McMahon, JEDD Administrator](mailto:Rita.McMahon@cpjedd.com)
Concord-Painesville JEDD
7229 Ravenna Road
Concord Township, Ohio 44077
440-477-1449 Cell 440-354-7500 Office
administrator@cpjedd.com

INFRASTRUCTURE ASSISTANCE GRANT

The Concord Township-City of Painesville Joint Economic Development District (JEDD) Infrastructure Assistance **grant** is designed to provide a modest incentive to encourage a business and/or property owner to petition to join the JEDD. The grant is a one-time incentive limited to a maximum of \$10,000 based on a combination of the cost of the acceptable improvements and the amount of the investment in the JEDD. The grant may be used in conjunction with other local, county, state and federal incentive programs.

Term of the grant

While the grant is offered on a one-time basis, it does require a company and /or property owner to be a JEDD member or to commit to and sign a petition to be a JEDD member. The applicant must agree to remain in the JEDD for a minimum of five (5) years.

Eligible Projects

- Sanitary sewer tap-in or capacity fees
- Storm water upgrades
- Architectural design enhancements

Amount of grant

The amount of the grant is determined in part by the cost of the acceptable improvements and amount of the future size of the investment. Grants may be increased or decreased depending on type of project and the specific purpose for the grant. Approval of the JEDD Board is required prior to the commencement of the project for which funds are requested. Funds may be used for only one project. However, no grant shall exceed \$10,000. A minimum of five new jobs within three years of the grant is required.

NEW Investment	ESTIMATED GRANT AMOUNT
\$200,000 - \$499,000	\$2,000 - \$4,000
\$500,000 - \$999,999	\$4,000 - \$6,000
\$1,000,000 - \$3,499,999	\$6,000 - \$8,000
\$ 3,500,000+	\$8,000 - \$10,000

Grant amount may be also affected by several factors including total amount of new payroll created as a result of the project and the total level of investment. All grants are subject to JEDD Board approval.

Grant Payment

Approved grants shall be paid on a reimbursement basis. The Applicant shall submit paid invoices indicating the costs of the approved projects to the JEDD Administrator. The JEDD Administrator shall verify the request is in compliance with the JEDD Board approval. If acceptable, payment shall be sent to the applicant. The JEDD Administrator shall advise the JEDD Board of all payments at the next their meeting.

JOB INCENTIVE PROGRAM

Program Description. The Concord - Painesville Joint Economic Development District (JEDD) Incentive Program offers incentives to eligible business to establish or expand operations in the JEDD area, and to retain and create jobs. The JEDD Board of Directors (JEDD Board) may offer an eligible company an annual grant payment based on a percentage of annual payroll taxes on employee payroll new to the JEDD area. The program will be funded through income tax revenues generated by new employees, and grant amount will be contingent on how well the company performs annually.

An Agreement must be executed in order for a company to be eligible for a grant. Agreements for land acquisition, construction, leasing, or installation of machinery/equipment must follow approval and execution of an agreement by the JEDD Board. An application must specify that agreements for land acquisition, construction, leasing, or installation of machinery/equipment are contingent upon execution of an Agreement. Commencement of a project prior to approval and execution of an Agreement will occur at a company's risk, unless such requirement is specifically waived by the JEDD Board. The applicant must agree to maintain the business in the JEDD during the tenure of the Incentive.

Eligibility. The following requirements govern eligibility for a grant:

- Is available to businesses expanding in or relocating to the JEDD area provided they are member of the JEDD.
- A company not yet located in the JEDD area and receiving an Enterprise Zone (EZ) or Community Reinvestment Area (CRA) incentive is eligible for a grant for the same project.
- A company not yet located in the JEDD area must agree to join the JEDD to be eligible for the grant.
- A company already located in the JEDD area and expanding at its current facility or expanding at a new facility in the JEDD area and receiving an EZ or CRA incentive may be eligible for a grant for the same project if approved by the JEDD Board as a project of exceptional merit.
- A company not yet located in the JEDD area must create, within a three-year period, not less than 25 jobs new to the JEDD area, or not less than an annual payroll of \$500,000 up to \$3 million in new to the JEDD area is eligible for this incentive.
- A company already located in the JEDD area and expanding either at its current facility or at a new facility in the JEDD area must create within a three year period an additional 25 jobs or \$500,000 in new annual payroll, while maintaining its current employment workforce and

payroll in the JEDD area. New annual payroll shall not include payroll due to annual salary increases, cost of living adjustments or salary schedule adjustments, etc., for existing employees.

Application Procedures. Application forms will be available through the JEDD Administrator. Upon submittal of a completed application, the JEDD Administrator will review the application and, meet with the applicant to present a recommendation for JEDD Board action. The JEDD Administrator's recommendation, which will be subject to JEDD Board approval, will be made in writing to the applicant. Upon the applicant's written acceptance of the recommendation, an agreement and legislation will be prepared for JEDD Board approval at its next regular or special meeting. The applicant's projections will form the basis of the agreement's commitments. There will be no application fee.

Grant Offer Guidelines. The annual grant rate will be not less than 10 and not greater than 50 percent of new income tax on new annual payroll, less the cost of tax collection, as measured in arrears on an annual basis, and continuing for the balance of the grant term. Minimum payroll must be \$500,000. The grant term and amount shall be fixed for the term of the incentive based on the projected employment and payroll at the end of year three. If at the end of year three the employment and payroll do not meet the projections, the incentive shall be adjusted based on the actual numbers for the remainder of the incentive. The grant term will be not less than 3 and not greater than 10 years and will be based on payroll projections according to the following schedule:

New Jobs by end of Year 3	Grant Rate
25- 49	20 percent
50- 69	30percent
70+	40 percent
New Annual Payroll Project by end of Year 3	Grant Term
\$500,000 to <1.5 million	3 years
\$1.5 million to<3 million	4 years
\$3 million to < 4.5 million	5 years
\$4.5 million to < 6 million	6 years
\$6 million to < 8 million	7 years
\$8 million to < 10 million	Up to 10 years

If a company leases space, the grant term shall not exceed the lease term. The grant rate and term will be recommended on a case-by-case basis by the JEDD Administrator, who will make a recommendation to the JEDD Board. Final approval would be made by the JEDD Board, at the JEDD Board's discretion. Incentives of 40% for more than five (5) years must also be approved

by the City of Painesville and Concord Township. Decisions of the JEDD Board, City of Painesville and Concord Township, if required shall be final and non-appealable. A grant agreement would be for a specific location. If a company has multiple locations in the JEDD area and business considerations require that new employees hired for the grant project be transferred to other facilities in the JEDD area, those relocated positions may be included in meeting commitments, as long as the net new payroll increase

Grant Payments. In order to receive a grant, a company must file appropriate RITA registration and withholding forms as required, as well as an annual report. Payment to a company will be made within six months following the end of each year of the grant term, based on prior year performance, provided that all required forms and reports are filed. If an extension is requested and granted, payment will be made within three months following the extended filing deadline. It is the responsibility of the company to inform the JEDD Administrator of any extended filing date.

If a project or occupancy of a project facility begins in the 3rd or 4th quarter of the year and the company is not able to meet its Year 1 projections by the end of that year, Year 1 will be considered the first full year of occupancy.

Funds used to make grant payments will be generated from new income tax revenue received from the project. Beginning in Year 1 of any executed an agreement, the JEDD Board will set aside reserves each year sufficient to make grant payments due that year under that agreement if the requirement is met.

A grant payment will be calculated annually based on performance in meeting payroll and employment projections for the previous year, in accordance with the following schedule:

% of Payroll Projections Met	% of Grant Awarded by year
90 to 100%	Full grant
85 to 89%	Reduce grant by 5% points (Ex. 40% to 35%)
80 to 84%	Reduce grant by 10% points (Ex. 40% to 30%)
75 to 79%	Reduce grant by 15% points (Ex. 40% to 25%)
Less than 75%	No grant awarded

If a company's percent's of prior year payroll and employment targets are not within the same range, the lesser of the two ranges shall be used in the above table. A company must achieve at least 75 percent of prior year payroll and employment targets in order to receive a grant. For purposes of calculating grant amounts, exercised stock options shall not be included in payroll.

Agreement Termination. The date by which Year 1 projections must be met will be specified in the agreement. If a project start, completion or occupancy is delayed, the company may send a

written request to the JEDD Administrator for a one year extension. The extension may be approved by the JEDD Board. If a project does not proceed as specified in the agreement or within an approved extension period, the JEDD Board may terminate the agreement. If a project proceeds in the future, the company may reapply.

If a company fails to meet 75 percent of its payroll or employment projections in three consecutive years at any time during the grant term, the JEDD Board may terminate the agreement, following a report by the JEDD Administrator on the status of all agreements.

Payback Provisions. Each agreement will include a payback provision requiring the company to reimburse the JEDD Board for 100 percent of the grant payments throughout the agreement term, if the company leaves the JEDD area during the agreement term.

Annual Reporting. On forms provided by the JEDD Administrator, companies must submit an annual report documenting payroll and employment performance. This report must be submitted annually, concurrent with filing of all required RITA forms for the prior year.

The company's annual report will be reviewed by the JEDD Administrator, to ensure compliance with the terms of the agreement, and whose findings will be submitted to the JEDD Board.

PROPERTY OWNER BUSINESS TAX INCENTIVE

The Concord Township-City of Painesville Joint Economic Development District (JEDD) Property Owner Business Tax Incentive is designed to provide a modest incentive to encourage a property owner having rental property to petition to join the JEDD. The JEDD Board of Directors (JEDD Board) may offer an eligible company an annual grant payment based on a percentage of local JEDD taxes on the business net profit in the JEDD area. The program will be funded through income tax revenues generated by new employees, and grant amount will be contingent on how well the development of the property performs annually. This grant may not be used in conjunction with the Incentive Program but may be used in conjunction with the Infrastructure Assistance Grant. An Agreement must be executed with the JEDD Board in order for a company to be eligible for a grant.

Eligibility. The property owner must be a JEDD member or have submitted an executed petition to join the JEDD. The businesses located on the property must also be JEDD members. If the property is vacant at the time of the property owner's signature on the petition, subsequent business are automatically JEDD members. If businesses exist on the property at the time the Property owner signs the petition, petitions must be signed by each business to also join the JEDD.

The property owner business tax incentive is available to an owner one time for an amount and a period of time as established by the JEDD Board.

The property shall generate a minimum of \$500,000 in annual payroll. The total payroll may be from multiple business entities located on the property.

Application Procedures. Application forms will be available through the JEDD Administrator. Upon submittal of a completed application, the JEDD Administrator will review the application and, meet with the applicant to present a recommendation for JEDD Board action. The JEDD Administrator's recommendation, which will be subject to JEDD Board approval, will be made in writing to the applicant. Upon the applicant's written acceptance of the recommendation, an agreement and legislation will be prepared for JEDD Board approval at its next regular or special meeting. The applicant's projections will form the basis of the agreement's commitments. There will be no application fee.

Grant Offer Guidelines. The annual grant rate will be based on a sliding scale beginning at 50% and reducing to 10% of the net profit local income tax over a five year period, as measured in arrears on an annual basis beginning following the end of year 3 and continuing for the balance of the grant term. Minimum payroll of \$500,000 must be generate by the businesses located on the site. The grant will not begin until the minimum payroll threshold is achieved.

Year of rebate starting after year 3	Amount of Rebate
1	50%
2	40%
3	30%
4	20%
5	10%

Grant Payments. In order to receive a grant, a company must file appropriate RITA registration and withholding forms as required, as well as an annual report. Payment to a company will be made within six months following the end of each year following the year the property generates a minimum of \$500,000 in annual payroll, based on prior year performance, provided that all required forms and reports are filed. If an extension is requested and granted, payment will be made within three months following the extended filing deadline. It is the responsibility of the company to inform the JEDD Administrator of any extended filing date. The grants will continue on a sliding scale for five years provided the minimum payroll threshold is achieved each year. If the minimum payroll threshold is not achieved during any year once the grants have begun that year is forfeited. No extensions will be granted unless approved by the JEDD Board and based on extraordinary circumstances.

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Annual Reporting. On forms provided by the JEDD Administrator, companies must submit an annual report documenting payroll. This report must be submitted annually, concurrent with filing of all required RITA forms for the prior year.

The company's annual report will be reviewed by the JEDD Administrator, to ensure compliance with the terms of the agreement, and whose findings will be submitted to the JEDD Board to authorize payment of the grant.