



Job Creation and Retention Grant

Program Guidelines

2016

For more information, contact:

City of Northwood

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PROGRAM GOAL AND PURPOSE

The primary goal and purpose of the Job Creation and Retention Grant Program (otherwise called “jobs grant”) is to maintain Northwood’s competitiveness as a location for new business and the expansion and retention of existing businesses. This program may be used in conjunction with other local, state or federal financing and incentive programs.

ELIGIBLE APPLICANTS

A company located in Northwood that intends on creating and retaining jobs with a payroll of a minimum of \$500,000 may be eligible. A preference will be given to corporate offices, manufacturers, and critical need businesses as determined by the city administration. Retail, restaurant, entertainment/hospitality-related businesses are also eligible for the jobs grant program but only in the “central business district” as noted in *Exhibit A: Eligible Retail Jobs Grant Areas*.

APPLICATION PROCESS

Applications are available on the City of Northwood’s website, or can be obtained from the City Administrator. Before completing the application, make sure to review the eligibility of your project with the City’s municipal administrator or designee.

FINAL APPROVAL

City Council has the final discretionary approval on all jobs grant applications, and can deviate from the guidelines based upon the overall type and impact of the economic development project. Applicants may need to make a brief presentation to City Council or designated committee, prior to legislative action.

DETERMINATION OF GRANT AMOUNT

The specific grant award will be based upon the company’s projected net payroll and the amount of municipal net income tax the payroll will generate in the City of Northwood as calculated after all refunds. Payments of grants in future years will be conditional upon and subject to appropriations of non-tax revenues by City Council for such payments.

AMOUNT OF GRANT

The amount granted will be an equivalent to one-third of the amount 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 annual payroll attributed to new documented jobs created or retained.

Job Creation Projects

The dollar amount of the grant is calculated based on information provided to the City at the time of the grant request and the yearly reports provided by the company of the annual payroll attributed to the new jobs.

For example, a company with a "Year 1" payroll of \$500,000 in "Year 2" could receive a grant of \$2,500.00 ($\$500,000 \times .015 = \$7,500.00$ divided by 3 = \$2,500.00). Grant payments are made one year in arrears for payroll and employment verification purposes.

The amount would increase in multiples of Twenty-Five Hundred Dollars (\$2,500.00) of annual payment for up to a maximum of One Hundred Fifty Thousand Dollars (\$150,000.00). This payment could vary each year based upon the company's annual payroll as verified by Northwood's Finance/Tax Department. The maximum job grant payment threshold can be increased at the sole discretion of city council.

Job Retention Projects

An existing company claiming job retention would be eligible for a grant based upon the payroll for those jobs that could potentially be lost if the retention effort is not successful.

Actual payments will not be made until one (1) year after approval of the application and would be based on actual payroll for the identified jobs retained. However, the amount granted will be prorated to a level of 60% of the formula used to calculate grants for creation projects.

TERMS OF THE GRANT

To be eligible for the jobs grant, applicants must have their jobs grant application approved by Northwood City Council prior to the start of their project. For new job creation projects, the execution of a lease, purchase agreement, or construction contract is generally considered to denote the start of the project.

The grant will be for a fixed number of years, not to exceed ten (10) years. The number of years will be determined by a variety of business-related issues, such as number of jobs created by the company locating or expanding in Northwood. Grant projects and payments will be adjusted on a calendar year basis based upon the actual payroll reported to the City.

The acceptance of a jobs grant award will require a contractual commitment on the part of the applicant in that they must maintain project operations in the City of Northwood for a period of time equal to a ratio of 1.5 years per approved grant year (example 10 year jobs grant = 15 year commitment to remain in Northwood). Failure by the business to abide by this commitment may require the business to reimburse the City of Northwood one hundred percent (100%) of the job grant benefits paid to the business in relation to the approved project.

A jobs grant may be assigned to a successor company (in the event of a transfer in ownership) but only by action of the Mayor.

COMPLIANCE REQUIREMENTS

In order to receive jobs grant benefits, the company must annually submit form PW-3 (annual W-2 reconciliation) to the City's Finance/Tax Department, as well as any other forms the city may prescribe to the business to document job creation or retention for the preceding grant year.

The company must be current on all taxes, assessments, and other city payments, to apply to the program, and if accepted, to receive annual payment. The company and the City of Northwood will execute a contract stating the amount of the grant award, the term of the award, any other terms and conditions and what the business must do to receive the jobs grant payments. If there are any potential conflicts of interest, the State of Ohio ethics rules will apply.

PROGRAM MODIFICATION

The City of Northwood reserves the right to modify or waive any of the conditions stated herein.

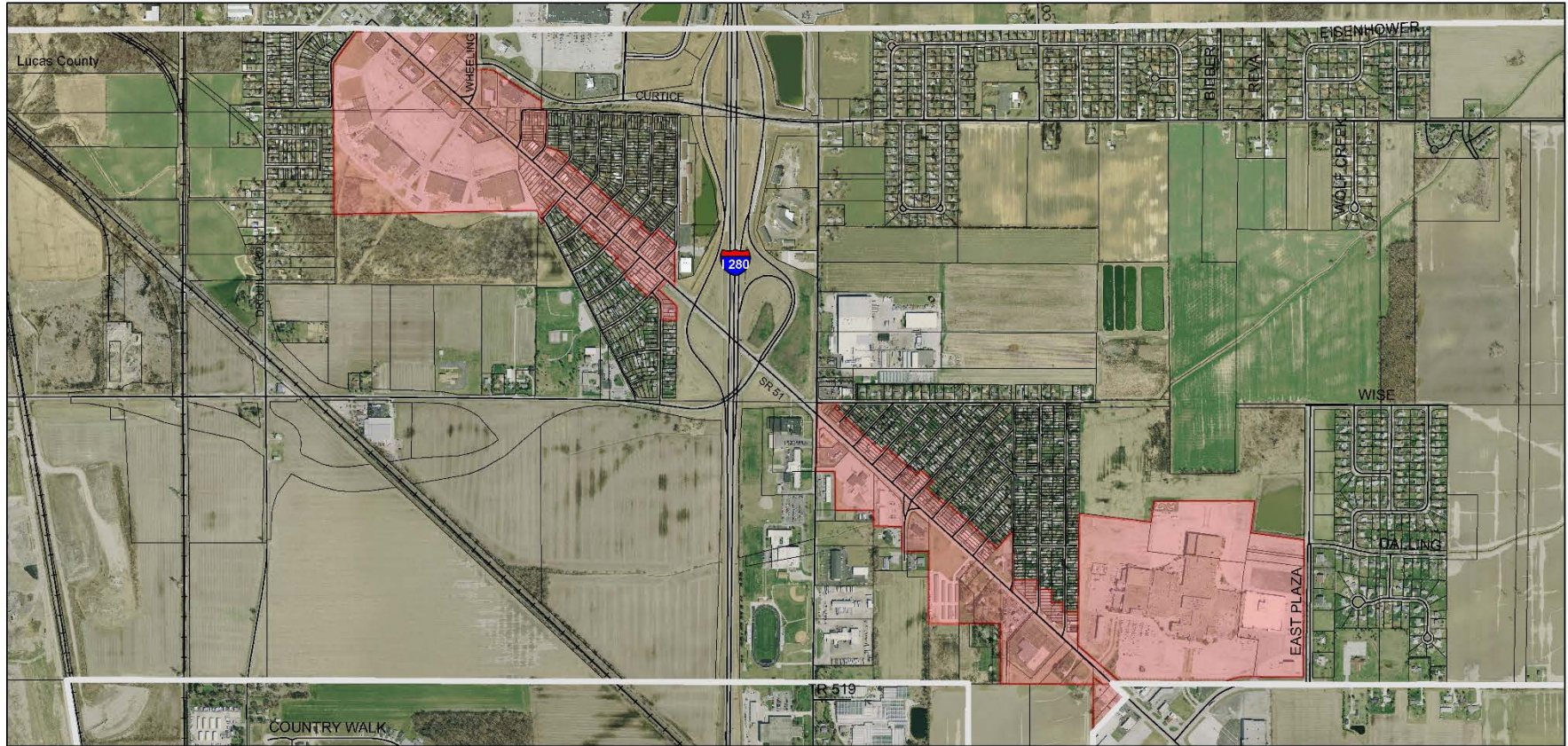
QUESTIONS

If you have any questions about this program, please do not hesitate to call the contact listed below:

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EXHIBIT A

Eligible Retail Jobs Grant Areas



0 0.125 0.25 0.5 Miles

Legend

-  Corp Limits
-  Streets
-  Railroad
-  Jobs Grant- Retail Boundary
-  Northwood Parcels

