

GALLIPOLIS JOB CREATION INCENTIVE PROGRAM EXHIBIT “A”

I. DEFINITIONS.

For the purposes of this Section as used in this Chapter the following words shall have the meanings as described to them in this Section except as and if the context clearly indicates or requires a different meaning.

(a) “Net new jobs” means a full-time employee first employed by an enterprise after the enterprise enters into the Job Creation Incentive Program and does not include an employee if, immediately prior to being employed by the enterprise, the employee was employed by another enterprise that is a related member or predecessor enterprise of that enterprise. Net new job does not include an employee who was previously employed by the enterprise within the last two (2) calendar years. This means an employee who was laid off would not be considered a net new job. “Net new jobs” do not include transfers from affiliated businesses within the City of Gallipolis.

(b) “Full-time employee” means an individual who is employed for consideration for at least an average of forty (40) hours per week or such employee who is employed for thirty-five (35) hours per week or more who receives additional work related benefits such as health care and/or pension plan of which the majority of the cost is paid by the employer.

(c) "Enterprise" means any for profit business, incorporated or otherwise engaged in any legal activity for the purpose of generating revenue that will have a positive impact on the City's tax base.

(d) "Net Benefit" means the end result of the activities of any enterprise which has a minimal negative effect on existing businesses, projects or enterprises and has no adverse impact on the City's tax base.

II. PURPOSE.

(a) The purpose of the Job Creation Incentive Program is to encourage economic growth in the City of Gallipolis. The core objective of the program is to promote and expand economic growth and vitality of the City of Gallipolis. Growth will be achieved by focusing on new growth, through business retention and/or expansion efforts and new business recruitment to the City of Gallipolis.

III. JOB CREATION INCENTIVE PROGRAM.

(a) The mission of the Job Creation Incentive Program is to expand the tax base of the City of Gallipolis by creating jobs within the City and making the City competitive within the State of Ohio and the region.

(b) The City of Gallipolis shall provide a yearly payment to an enterprise up to 50% of the employee's 1% income tax withholdings that are paid to the City of Gallipolis. An enterprise must relocate new jobs to the City of Gallipolis or create "net new jobs."

<u>GUIDELINES</u>		
New Annual Payroll	Income Tax Payments	Years
\$500,000 – 1,500,000	50%	3
\$1,500,001 – 2,250,000	50%	4
\$2,250,001 – 3,000,000	50%	5
\$3,000,001 +	50%	5-10

Tax payments shall not carry forward from one year to the next.

(c) Basic Eligibility Requirements:

(1) Eligible enterprises include new or existing business within the City of Gallipolis whose employment results in a positive aggregate effect on employment in the City of Gallipolis as decided by the City Commissioners.

(2) Eligible Enterprises or projects must create or relocate a minimum of twenty (20) "net new jobs."

(3) "Net new jobs" must be from new or existing enterprises relocating or expanding within the City of Gallipolis.

(4) Applicant must apply for the incentive prior to, or within 12 months of expanding the business, signing a lease, constructing a new facility, annexing or purchasing a building within the City of Gallipolis.

(5) If total head count at reporting period is less than or equal to total head count at application, or if total tax collections for the tax paying entity at reporting period is determined to be less than or equal to total tax collections at application, business may be deemed to lose eligibility for continuance in The Program. The test figures for this determination will be provided by the Tax Administrator at application reference to City Commission.

(6) The business must create a minimum of twenty (20) new, full-time jobs within 3 years of the approval of its application. The business must also commit to retaining the current number of jobs and to maintaining current levels of payroll. The jobs and tax credit does not apply to wage and salary increases of jobs existing at the time the application is approved.

(7) The hourly wage rate of the project's new, full-time jobs must be 150% of the state minimum wage. Businesses will not receive credit for jobs that do not meet the 150% minimum wage guideline.

IV. TERM, PAYMENT AND REBATE CALCULATION.

(a) An enterprise must be in the Job Creation Incentive Program and maintain all requirements for at least one (1) full year from the date of the first income tax withholding prior to any repayment of said income tax pursuant to this Program being made.

(b) The term and payment for "new jobs," "net new jobs" created or on net profits shall begin January 1st of the next calendar year.

(1) Job Creation Incentive Program - Payment shall be made by June 1 of each year on paid withholding taxes net of refunds.

(c) All taxes that are due must be paid prior to an enterprise receiving payment.

(d) At entry into the Job Creation Incentive Program, the Tax Administrator will set upper limits of employee head count under which the enterprise is considered admitted based on information provided in the application and discussions with the applicant enterprise or new owners. The City Tax Administrator will calculate the rebate based on the roster of employees considered in the program from the lowest compensated to the highest compensated up to the upper limit head count set by the Tax Administrator at admittance to each program.

(e) The withholding reconciliation and W-2's for all employees must be received by February 28 of each year as currently required by the City's tax code.

V. RETENTION AND EXPANSION BY EXISTING CITY OF GALLIPOLIS ENTERPRISES.

Expansion projects must show a significant capital investment satisfactory to the City Commissioners. Expansion projects may qualify for the job creation incentive based on retaining their current level of employment at time the application is approved. Only "new jobs" will qualify for this incentive.

VI. APPLICATION AND APPLICATION PROCESS.

(a) The City Manager shall develop and maintain an application input form that includes the following information requests:

(1) Verifiable employment figures necessary to determine eligibility for programs under consideration for applicant by the City Commissioners.

(2) Projected number of new employees as a result of the proposed activity.

(3) Description of activity to be considered for acceptance into the Job Creation Incentive Program by the City Commission.

(4) An estimate of the cost of the activity to be considered for acceptance into Job Creation Incentive Program by the City Commission.

(b) The City Commissioners shall manage the application process under the following general guidelines:

- (1) Prior to, or within twelve (12) months of expanding a business, signing a lease or purchasing a building in the City of Gallipolis, an interested company must submit a completed City of Gallipolis Job Creation Incentive Program application.
- (2) The City Commissioners will review the application and set employment parameters and limits to be applied to the applicant's entry to and continuation in program participation and reimbursement calculations.
- (3) The City Commissioners will determine if an applicant meets the eligibility requirements and there is a net benefit to City tax collections and City economic development. The City Commissioners shall have full authority to determine whether an applicant meets the eligibility requirements and will provide a net benefit to the City tax collection and economic development.
- (4) Gallipolis City Commission must approve each project. Gallipolis City Commission may deny application and admittance to the Job Creation Incentive Program for any reason.
- (5) When a business is admitted to the program, an employee roster will be filed with the Tax Administrator when the minimum number of employees described by the application program eligibility requirements is reached. The employee roster filing will mark the start date in the program for the admitted business. The roster, along with subsequent requests for rosters, will include employee names, addresses and social security numbers for those employees considered in the program
- (6) Applications for the Job Creation Incentive Program shall be maintained in the office of the Income Tax Administrator and shall be subject to modification by a majority of the City Commissioners provided that no terms or requirements set out in the foregoing Ordinance are waived, modified or removed therefrom.

VII. VERIFICATION AND PROGRESS REPORTS.

(a) In order for a business or enterprise to remain in compliance with the Job Creation Incentive Policy, they shall cooperate with the Municipal Income Tax Administrator and provide not less than the following information.

(1) An annual progress report documenting the number of employees and payroll at the incentive site as well as Citywide signed by the employer's Chief Financial Officer.

(2) A copy of the enterprise's municipal tax return shall be provided

(3) Any other relevant information requested by the Municipal Income Tax Administrator.

(a) This information shall be compared to base year figures and projected new employment and payroll from the original application to verify performance and determine the incentive amount for that year.

(b) The City of Gallipolis reserves the right to require an independent audit of the employer's employment, payroll and tax records to verify reported figures at the employer's expense.

VIII. ADMINISTRATIVE AUTHORITY.

(a) The City Commissioners shall be the administrative authority of the Incentive Program.

(b) The City Commissioners shall meet and review all applications within thirty (30) days of receiving same and approve or disapprove the application.

(c) A meeting of the City Commissioners may be called by any member thereof by written notice to all members not less than ten (10) days prior to any meeting to review applications, or to review progress, or lack thereof, of any business or enterprise currently in the Incentive Program.

(d) The City Income Tax Administrator shall present an annual progress report to the City Commissioners annually.