

**NOTICE OF SPECIAL MEETING**  
**Bellevue City Council**

A special meeting has been called and will be held at City Council Chambers on **Wednesday, September 14, 2016, at 7:30 p.m.** for the sole purpose of discussing and possibly passing Ordinance No. 14-16.

**ORDINANCE NO 14-16: AN ORDINANCE ESTABLISHING A JOB CREATION INCOME TAX CREDIT PROGRAM, AS AN ALTERNATIVE TO THE PROGRAM SET UP IN ORDINANCE NO. 1-14, AND DECLARING AN EMERGENCY.**

**By Order of Council**  
**Ronald Smith, President**  
Rhonda R. Soper,  
Clerk of Council

9/13/2016

**ORDINANCE NO. 14-16**

**AN ORDINANCE ESTABLISHING A JOB CREATION INCOME TAX CREDIT PROGRAM, AS AN ALTERNATIVE TO THE PROGRAM SET UP IN ORDINANCE NO. 1-14, AND DECLARING AN EMERGENCY.**

**WHEREAS**, Ohio Revised Code Section 718.15 permits a municipal corporation, by ordinance, to grant a refundable or non-refundable credit against its tax on income to a taxpayer to foster job creation in the municipal corporation; and

**WHEREAS**, previously, this Council passed Ordinance No. 1-14 to establish a job creation income tax credit program that would be in conjunction with a state tax credit under Section 122.17 of the Ohio Revised Code; and

**WHEREAS**, the need has arisen for an alternative job creation income tax program to be established where a state tax credit under O.R.C. Section 122.17 is not involved; and

**WHEREAS**, it is understood that before the municipal corporation passes an ordinance granting a credit under this alternative program, the municipal corporation and the taxpayer shall enter into an agreement specifying the conditions of the credit; and

**WHEREAS**, the City of Bellevue wishes to establish an alternative Job Creation Income Tax Credit Program, in addition to the previous program established by Ordinance No. 1-14, under the authority of the foregoing Ohio Revised Code Section;

**NOW, THEREFORE, BE IT ORDAINED** by the Council of the City of Bellevue, Erie, Huron and Sandusky Counties, Ohio:

**SECTION 1:** That the Bellevue City Council authorizes the creation of an additional and alternate "Job Creation Income Tax Credit Program" under the authority of Ohio Revised Code Section 718.15, as set forth in the attached Exhibit "A".

**SECTION 2:** It is understood that each agreement with each taxpayer shall require a separate ordinance granting the credit, and prior to the passage of said ordinance, the City and the taxpayers shall enter into an agreement specifying all the conditions of the credit.

**SECTION 3:** That the City administration is authorized to create "Job Creation Income Tax Credit Program" administrative guidelines that shall adhere to, and shall not conflict with, the provisions of this ordinance.

**SECTION 4:** The City Auditor is authorized to draw his warrant or warrants for any expenditures or refunds made necessary by this ordinance and the creation of this "Job Creation Income Tax Credit Program."

**SECTION 5:** It is understood that this additional and alternative "Job Creation Income Tax Credit Program" is being established as an alternative to the program previously set forth in Ordinance No. 1-14, and this ordinance does not repeal Ordinance No. 1-14, and the original program shall remain available, but only one of the programs will be used for any particular expansion of a taxpayer.

**SECTION 6:** That this Ordinance is hereby declared to be an emergency measure necessary for the preservation of the public peace, health, safety and welfare of the City of Bellevue, and in order to put this program into place to be of the most benefit to the community and its employers and employees.

**WHEREFORE,** this Ordinance shall go into full force and effect immediately upon its passage by Council and approval by the Mayor.

DATE \_\_\_\_\_

\_\_\_\_\_  
**RONALD SMITH**  
PRESIDENT OF COUNCIL

ATTEST:

APPROVED:

\_\_\_\_\_  
**RHONDA R. SOPER**  
CLERK OF COUNCIL

\_\_\_\_\_  
**KEVIN G. STRECKER**  
MAYOR

## EXHIBIT "A"

**The City of Bellevue will establish a Job Retention and Creation Incentive Program to offer incentives to eligible businesses that are creating new, full-time or full-time equivalent jobs. The City will offer an eligible company an annual grant payment based on a percentage of the annual payroll withholding taxes generated by jobs that are new to the City of Bellevue.**

- The program will be structured as a grant (refund) based upon the creation of new full-time or full-time equivalent jobs.
- Grants will be awarded using tax revenues.
- Each grant must be approved by City Council and the Mayor prior to the applicant company undertaking the project.
- The program will be available to businesses considering a location, or businesses considering an expansion, in the City of Bellevue.
- A company already located in Bellevue and expanding its current facility, or expanding at a new facility within the City, must create, within a 3-year period, a minimum of 25 new full-time or full-time equivalent jobs or a minimum annual payroll of \$660,000 new to the City of Bellevue, while maintaining its current employment workforce and payroll.
- In order to be eligible, a company locating a new business in Bellevue must create, within a 3-year period, a minimum of 25 new full-time or full-time equivalent jobs new to the City of Bellevue with a minimum annual payroll of \$660,000 new to the City of Bellevue.
- Independent contractor positions are not eligible.
- Retail and food service businesses are not eligible.

### **Grant Guidelines:**

The maximum grant will be for 5 years and 50%. All grants will be based on new payroll projections according to the following schedule:

<b>New Payroll by End Of Year 3</b>	<b>Length of Grant</b>	<b>Suggested Award Rate</b>
\$660,000 to \$1 million	3 years	30%
\$1 million to \$2 million	4 years	35%
\$2 million to \$4 million	4 years	40%
\$4 million +	5 years	50%

- For companies already located in Bellevue, only new payroll shall be used to determine the number of years and the award is percentage of the grant. The company will be required to maintain the workforce levels and payroll that are current when the grant application filed.
- If the company is leasing space, the number of years of the grant may be limited so as not exceed the current lease term.
- The grant agreement will be for a specific location. However, if a company has multiple locations in the City and total employment and payroll projections are met at any combination of locations in the City, the company will qualify for the grant payments.
- The date by which Year 1 job projections must be met will be specified in the Agreement. If a project start or occupancy of a project facility is delayed, the company may send a written request for a one-year extension to the City’s Economic Development Department. City Council must approve the extension.

**% of Payroll**

**Projections Met**

**% of Grant Awarded**

90 – 100%	full grant/credit
85 – 89%	the grant will be reduced by 5%
80 – 84%	the grant will be reduced by 10%
75 – 79%	the grant will be reduced by 15%
Less than 75%	no grant for that year

The amount of the grant will be calculated annually based upon the company’s performance in meeting its payroll and employment projections for the previous year. The company must achieve at least 75%

of the job creation projection for the previous year in order to receive any benefits.

For purposes of calculating the amount of the grant each year, exercised stock options will not be included in annual payroll.

**Application Procedures:**

Application forms will be available from the Economic Development Department. A non-refundable application fee of Seven Hundred Fifty Dollars (\$750.00) in the form of a check, payable to the City of Bellevue, shall be submitted with the Application.

**Program Funding:**

Funding for the grant program will come from tax generated revenues including but not limited to interest income, permit fees, service charges, activity fees and tax incentive application and monitoring fees.

**Claw Back Provision:**

Each Agreement will include a binding claw back provision requiring repayment of grant moneys if the company leaves the City during the term of the agreement or fails to maintain through the term of the Agreement, at least 75% of the new jobs for which grant moneys were received.

**Annual Reporting:**

- Upon the City's request and on forms provided by the City, companies must submit an Annual Job Creation Grant Report documenting new employment and payroll. This Report will be required annually during each year that a grant is being awarded. A Two Hundred Fifty Dollar (\$250.00) administrative fee shall be required with the submission of each Annual Report.
- The annual performance reports will be reviewed by the Economic Development Department and the City Auditor. An annual report will be prepared by the Economic Development Director and presented to the Mayor and City Council.

**Terminating Agreement:**

- If the project does not proceed as specified in the Agreement, or within the one-year extension period, Council may rescind the Agreement upon recommendation of the Economic Development Director.
- If a company fails to meet 75% of its payroll or employment projections in three consecutive years at any time during the term of the Agreement, City Council shall rescind the Agreement and any amounts paid to the company by the City pursuant to the Agreement shall be repaid.
- If a project or occupancy of a project facility begins in the 3<sup>rd</sup> or 4<sup>th</sup> quarter of the year and the company is not able to meet its Year 1 projections by December 31<sup>st</sup> of that year, Year 1 shall be considered the first full year of occupancy.

**General:**

- The City reserves the right to amend, alter or terminate the offering of the subject Grant without notice at any time prior to an Application pending.