The Montrose Group, LLC

TRANSFORMING YOUR WORLD

2022 MONTROSE GROUP, LLC OPPORTUNITY OHIO GUIDE

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MONTROSE GROUP'S ECONOMIC INCENTIVES PRACTICE DRIVEN BY MULTI-DISCIPLINARY TEAM

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Tim Biggam, Director of Government Relations, Montrose Group. Tim provides lobbying services based upon his 13 years in staff positions at the Ohio Senate and Ohio Governor John Kasich ultimately serving as his Director of Legislative Affairs. Mr. Biggam serves arts, developer, economic development, educational, higher-education, health care, local government and technology clients before the state of Ohio and the Ohio Congressional Delegation.

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September 2022

Dear Friend-

Ohio is certainly full of opportunity. With the announcement of the development of $20 B Intel facility in New Albany, Ohio, Montrose Group, LLC decided rather than publish their traditional annual economic development incentive guide to focus instead on helping Ohio companies and companies seeking Ohio or other locations navigate the economic development incentive process through this 2022 Opportunity Ohio Guide. The economic development incentive process merges a range of professions but ultimately involves the representation of public and private sector clients seeking to encourage and create high-wage jobs and capital investment. Successful economic development incentive representation brings financial success to regions and its residents and requires a range of services that include:

- Land use entitlements such as zoning and annexation;
- Market research including economic, industry and workforce studies;
- Site development and infrastructure development; and
- Economic development incentives.

However, the 2022 Opportunity Ohio Guide discusses a lot more than economic development incentive. Public policy more and more impacts economic development incentive projects. States like Florida and others have seen their state economic development organizations and economic development incentive programs under assault. Housing has become a large issue for companies and communities attempting to retain and attract high-wage jobs. Site development is a critical aspect of economic development incentive as an industrial park prepared for a company is most likely to win the real estate battle. Finally, key industries such as logistics, semiconductors, and electric vehicles are driving large scale economic development incentive projects and defining economic success for decades to come. All of these topics are included in the 2022 Opportunity Ohio Guide.

The Montrose Group, LLC provides economic development consulting services with a team of senior level economic development professionals. Montrose Group hopes you enjoy the 2022 Montrose Group Opportunity Ohio Guide should not be considered the provision of legal advice and those reading the guide should seek qualified counsel if they have specific issues or questions on an economic development or other matter.

Sincerely,

David J. Robinson
Principal, Montrose Group

2022 MONTROSE GROUP OPPORTUNITY OHIO GUIDE

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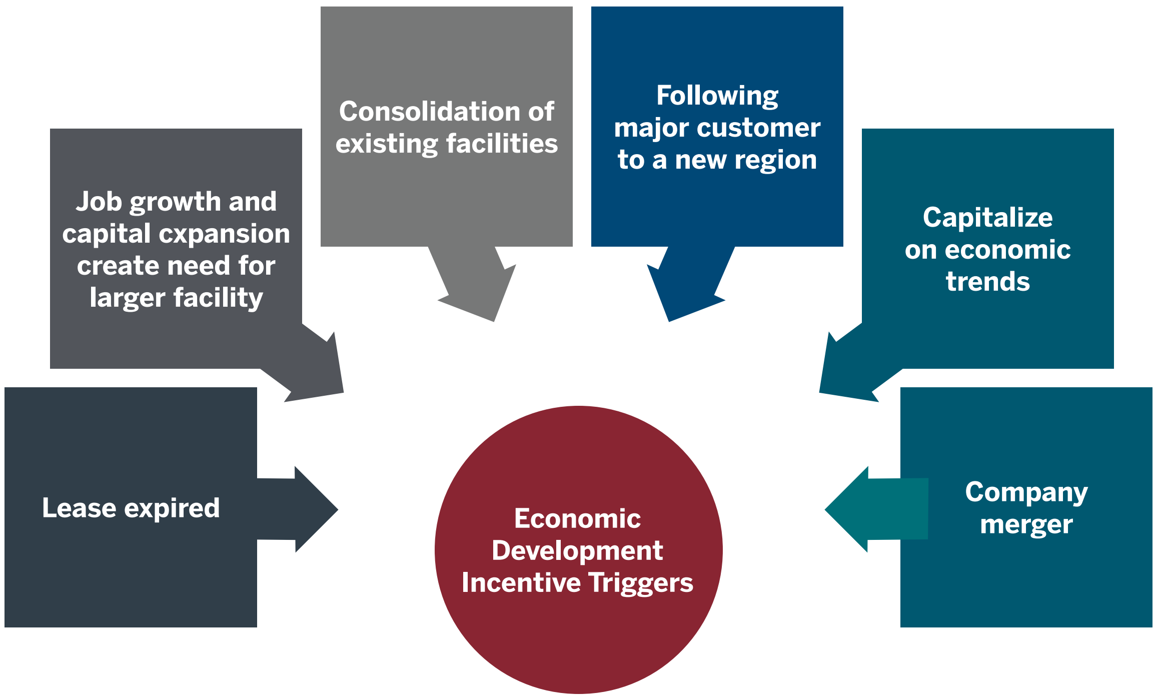
Ohio Economic Development Incentive Process. The economic development incentive process impacts where a company locates, and, while Princeton Economics estimates companies gain $30B in economic development incentives, this process is about a lot more than tax incentives.

Project Definition. Companies whose lease is expiring, have expected job growth and capital needs their current facility cannot accommodate, are consolidating facilities or following a customer or market trends to a new region or merging should undertake a economic development incentive process. Companies need to determine the number of employees, wages and benefit costs of these employees, workforce skills needed for these employees, capital expenses for a facility, utility, parking and other site needs.
Market Research. Market research is the first step for a economic development incentive project that targets regions that are growing economically, have a common industry cluster with the company, provide a skilled workforce and competitive cost of doing business. The goal of the market research is to target a small number of communities in which the company is capable of locating a facility.
Project Introduction. Following the definition of the project and market research, the next step in the economic development incentive process is to develop a project letter or Request for Proposal (RFP) for a targeted group of regions seeking market information, recommended sites and economic development incentive offers from regional economic development organizations, local and/or state government economic development leaders in a confidential process.
Land Use Entitlements. Any new site a company chooses to locate must be properly zoned for the intended use of the company and other land use entitlements such as annexation may also be required to gain essential public services such as water, sewer and roads. Zoning is a democratic process with substantial public input and a vote of approval by local government officials. Annexation is different in each state but is generally an administrative process if the property owners seek the annexation.
Economic Development Incentives. Local, state and federal government tax credits, tax abatements, grants and loans may all be provided in each of the fifty states as an incentive for companies creating jobs and providing capital investment. Issues such as remote work need to be addressed to determine if many economic development incentives will be applicable. Economic development incentives can support job creation and capital investment, redevelopment of historic structures, investments in distressed areas or Brownfield sites, provide funding for needed infrastructure, workforce development training, or just a pile of cash.

Project Definition. The economic development incentive process begins with defining the project to learn about the industry, number of jobs, payroll and capital investment planned by a company, needs for the project site and geographic markets that fit the company's business plan leading to the creation of potential state and regional target list for the company's location. Critical business planning is essential for companies considering an expansion or relocation project. Growth projections tied to new business development opportunities, supply chain demands, labor negotiations, regional market growth decisions all impact the scale and scope of a economic development incentive project. Triggers such as the end of a real estate lease, growth needs are beyond their current facility, decay of their existing facility, consolidation of existing facilities, a growth opportunity tied to a customer, a merger of companies, or a company seeking to capitalize on an economic trend tell a company they should undertake a economic development incentive project.



After a company determines its current facility may or may not suit its needs, it needs to ask and answer a couple critical questions that define their economic development incentive project, including:

1. What does the company need in a facility to succeed in the next five years?
2. How many jobs would be retained and created over the next three years?
3. What type of capital investment would be required should the company remain in their current facility or move to in a new facility?
4. Will these new employees work remotely in the same state or with no restrictions or in a specific location for a majority of their time?
5. What skill sets do the company's employees need to have today and in the near future?
6. What other regions does the company have clients or a supply chain necessary for their business to succeed?

Ohio Marketplace. Market research begins to define growing economic, industry cluster, labor shed, transportation networks and supply chains of targeted regions and to develop potential real estate site options for each of these markets. Regional economic performance, common industry clusters to the company, the availability of a skilled workforce and the cost of doing business for the company are all researched and reviewed for the development of a market research report.

L o c a t i o n . *L o c a t i o n .*

Location. Ohio's strategic location cannot be undersold. The state of Ohio is located within 500 miles of half the population of the United States. This access to East Coast, Midwest and Southern markets plays a critical role in Ohio's location for major manufacturing, logistics and distribution centers—all major economic drivers with high-wage jobs. Ohio is also the home to a large population base with mid to large size cities spread out through the state. Unlike other Midwestern states, Ohio is not dominated by one large metro area but enjoys the benefits of three top 30 Metropolitan Statistical Areas and then a series of mid-sized communities that can provide a pool of workers. Ohio also benefits from a massive supply of fresh water. Ohio's northern boundary of Lake Erie connects the state to the Great Lakes. The Great Lakes are the largest group of freshwater lakes on Earth by total area and are second largest by total volume, containing 21% of the world's surface fresh water by volume. Ohio's population spread and industrial history also created substantial infrastructure within the state. Ohio has the third highest amount of rail lines in the United States- only behind Texas and Illinois. Ohio's higher education system has spread universities and colleges to all corners of the state as well as the interstate and state highway network that places Ohio in ninth place among the states for amount of highway miles—a strong showing considering the relatively small size of the state.

Ohio's Strategic Location

- **Within 500 miles of half the U.S. Population**
- **Connected to largest fresh water source in the world**
- **Large population base spreadout in the state**
- **Substantial transportation and educational infrastructure**
- **Second largest state economic development incentive fund**

Regional Economic Performance. Overall macroeconomic performance of a region is a critical measure for companies considering a economic development incentive site. Generally, companies seek out growing markets that attract industry and talent. Key measures of regional economic performance will include the measures noted in the table below.

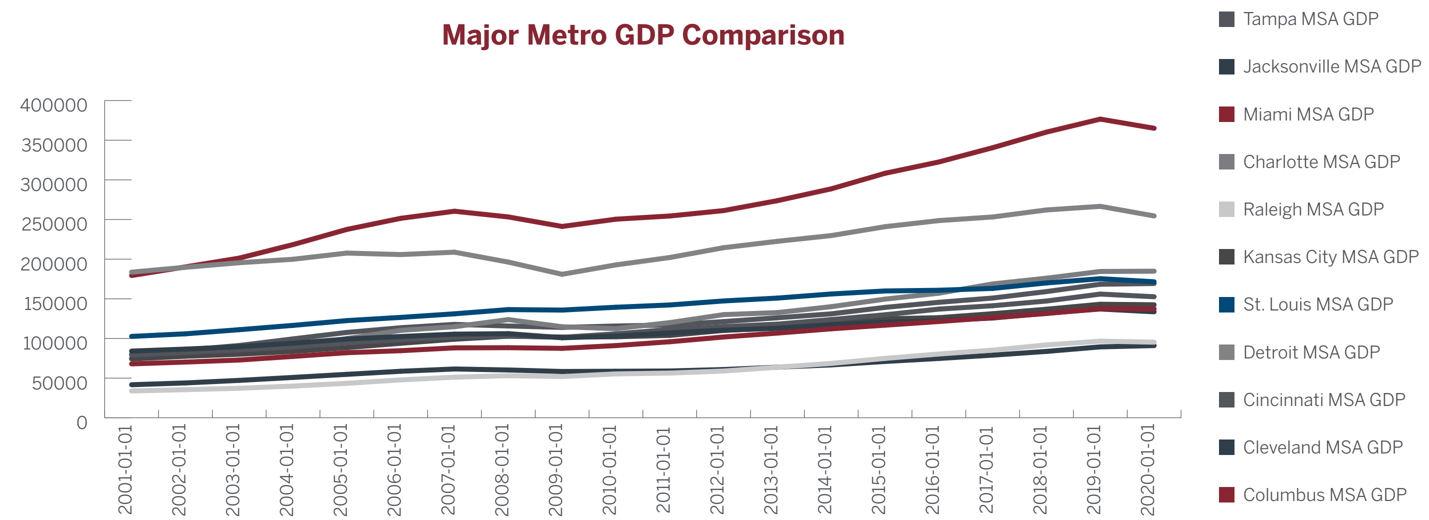
Key Regional Economic Performance Measures

Measure	Definition
Gross Domestic Product by County, Metro or Other Areas	A comprehensive measure of the economies of counties, metropolitan statistical areas, and some other local areas. Gross domestic product estimates the value of the goods and services produced in an area. It can be used to compare the size and growth of county economies across the nation.
Real Consumer Spending by State	Regionally price-adjusted statistics on the goods and services purchased by, or on behalf of, people living in each state and the District of Columbia. These statistics, officially known as real personal consumption expenditures by state, are adjusted using BEA's regional price parities and the national PCE price index.
Personal Income by County, Metro or Other Area	Income that people get from wages, proprietors' income, dividends, interest, rents, and government benefits. A person's income is counted in the county, metropolitan statistical area, or other area where they live, even if they work
Regional Price Parities	Allows comparisons of buying power across the 50 states and the District of Columbia, or from one metro area to another, for a given year. Price levels are expressed as a percentage of the overall national level.
Employment by County, Metro and Other Areas	A count of full-time and part-time jobs in U.S. counties and metropolitan areas, with industry detail. Nonmetropolitan areas and rural counties are also included. These statistics cover wage and salary jobs and self-employment
Population Growth	Regional population growth from 2010-20 illustrates whether the region is growing or not.
Home Ownership	Regional owner-occupied housing rates from 2015-19 illustrates neighborhood stability.
Home Value	Regional median home value illustrates the affordability of a market for workers.
Educational Attainment	Regional percentage of the population above the age of 25 that has a four-year college or bachelor's degree illustrates the pool of available educated workers for advanced services, technology and other "white collar" occupations
Civilian Labor Participation	Population 16 and above in age that is working in civilian occupations illustrates the regional workforce pool
Poverty Rate	Income of $25,520 or below for one person in a household and $8,960 per person in the household is defined as persons in poverty.

Source: U.S. Bureau of Labor Statistics and Census Bureau

Gross domestic product (GDP), the featured measure of U.S. output, is the market value of the goods and services produced by labor and property located in the United States. GDP size and growth is a critical measure of economic success that makes regions more or less attractive to companies considering an economic development incentive decision. GDP serves as a gauge of our economy's overall size and health. GDP measures the total market value (*gross*) of all U.S. (*domestic*) goods and services produced (*product*) each year.[1] When compared with prior periods, GDP tells us whether the economy is expanding by producing more goods and services or contracting due to less output—which ultimately defines whether the economy is in a recession. The US GDP is $23.1 T which is massive. China is the next largest global economy with nearly $17 T in GDP but the U.S. economy remains larger than Japan, the United Kingdom, Germany, France, and Italy combined.[2] GDP as measured at the state level provides an important measure of the size of markets as well as the growth potential all impacting company economic development incentive decisions.

Major Metro GDP Comparison

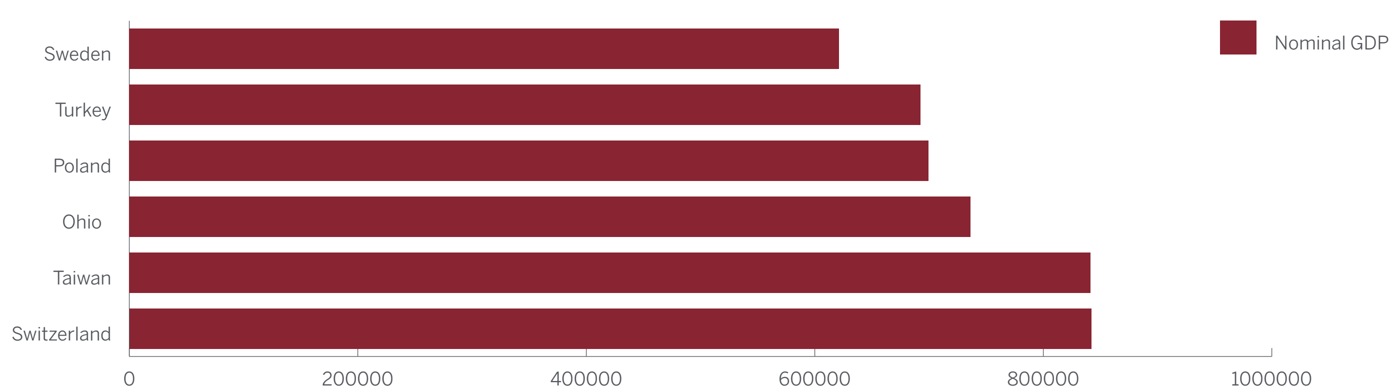


Ohio is a large state located in the Midwestern region of the United States with the 7th largest economy in the United States and 7th largest state by population.

Top 10 States by GDP	
1. California	**6. Pennsylvania**
2. Texas	**7. Ohio**
3. New York	**8. Washington**
4. Florida	**9. Georgia**
5. Illinois	**10. New Jersey**

In fact, as the table below illustrates, if Ohio were a nation, its economy would be larger than Sweden, Turkey, and Poland and would be the 22nd largest nation on the earth.

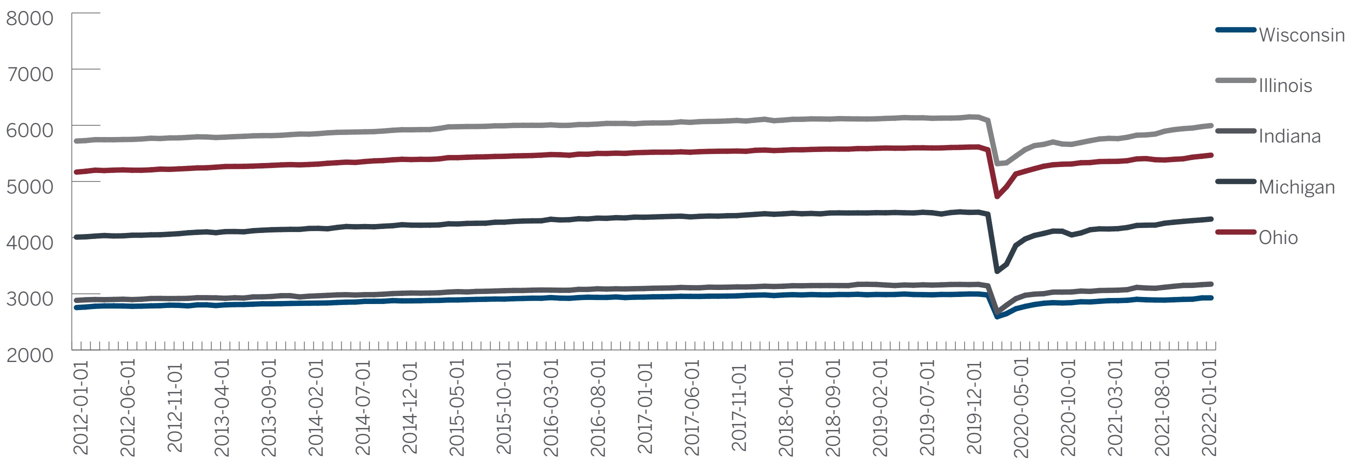
Ohio GDP Global Comparison



Ohio has a substantial private sector employment base that companies can choose workers from. As the table outlines below, Ohio is just behind Illinois in the Midwest with its total non-farm payroll which considering the size of Chicagoland is an accomplishment.

Again, when reviewing the overall size of the Ohio economy, it lands just behind Illinois again in the Midwest and illustrates a continued growth pattern over the last decade.

Ohio Non-Farm Payroll Comparison



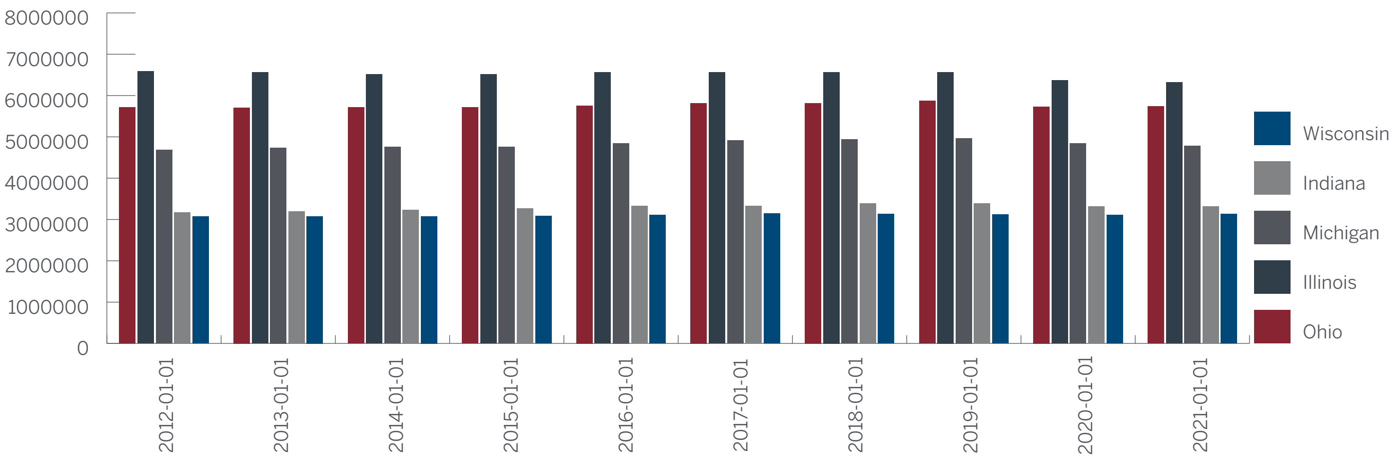
Companies seeking insight on whether a region has available and affordable skilled workers should develop a workforce study modeled after the Montrose Group's approach. First, a company needs to define their industry sector strengths in comparative markets based upon a list of Bureau of Labor Statistics industries categories, and identify the core occupations they are seeking based on North American Industry Classification System (NAICS) codes that comprise the largest share of workforce costs, develop a geographic location as defined by a region as measured by their Metropolitan or Micropolitan Statistical Areas that might be of interest for the location of these workers, identify job retention and expansion growth plans for this workforce by occupation within 3-5 years and a timeframe for deciding on the workforce location. Next, a detailed and customized workforce development report will next be developed that provides a market comparison of targeted Micropolitan or Micropolitan Statistical Areas for the following workforce data points:

- Defines an industry cluster analysis through a Location Quotient analysis that defines the industry strength of a region as measured by its workforce occupational concentration in a chosen industry compared to a national average for that specific industry workforce occupation in three regions.
- Defines the Unemployment Rate, Civilian Labor Participation Rate, Commuting Patterns, Population Age and Growth Rates by region, and total size of the labor force to define the pool of available labor in three regions.
- Defines the labor union rates and union activity in three region as measured by Labor Representations & Petition Filings from the National Labor Relations Board, with a search capability based on region or state to determine union activity in the areas of study.
- Defines the demographic measures for three regions as measured by Educational Attainment Levels, Poverty Rate, and Occupational Data that measures the ability of a region to provide skilled workers the company demands and potentially upskill other workers to define the workforce skills capability of a region.
- Defines the occupational concentration and wage rates through an Employment Location Quotient analysis to determine the ratio of the area concentration of occupational employment to the national average concentration by SOC and Annual Mean Wages of targeted occupations.
- Defines the potential for automation of the occupations outlined by the company to predict the numbers of workers that could be automated.
- Defines the number of occupations capable of remote work and the number of remote workers a region is capable of using occupational data and adequate workforce housing and broadband services.
- Define the economic development incentives that are available for each site under consideration.

Based upon these data points, a comparison of a targeted number of regions compared to each other and the national average provides a critical data point impacting the availability of a skilled workforce with the goal of gaining an analysis that recommends a small number of regions to seek a site to develop and incentives to negotiate.

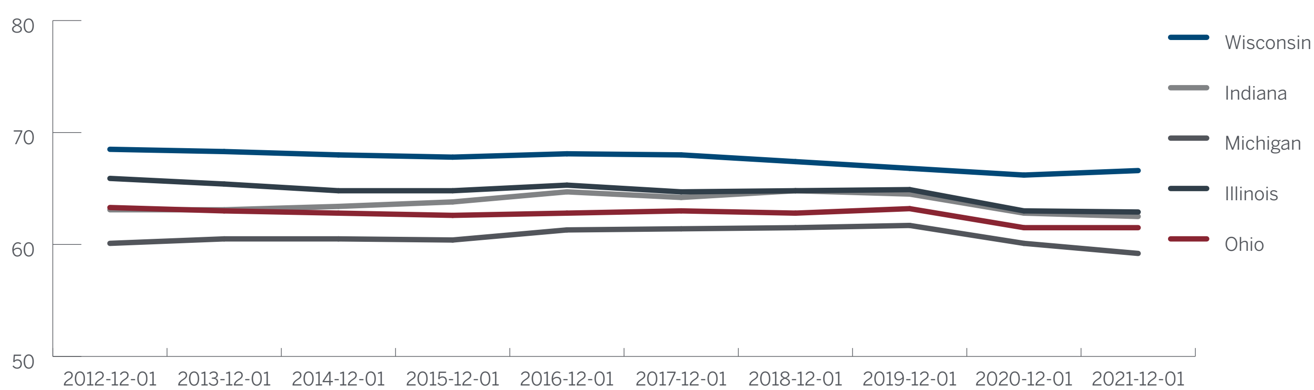
The total size of a state and region's workforce is a critical measure for companies considering an economic development investment. Ohio benefits from a large workforce pool. Ohio is also just behind Illinois when it comes to its total workforce numbers. Ohio's civilian labor force is just larger than Michigan and much bigger than Indiana and Wisconsin.

Ohio Civilian Labor Force



While Ohio has a larger workforce than most of its Midwest competitors, the Buckeye state is lagging in getting its workforce-eligible population back into a job. Ohio's civilian labor participation rate is below Illinois, Indiana, and Wisconsin but remains higher than Michigan.

Ohio Civilian Labor Participation Rate



Measuring the growth of Metropolitan Statistical Areas (MSAs) illustrates an even more important story for companies seeking a economic development incentive. Companies are generally not searching for a state but rather a market within 45-minute drive time of a facility—that is where they will get workers and connect to a supply chain. A comparison of the major metro markets in Ohio, Michigan, Missouri, Florida, North Carolina, Arizona, and Texas illustrates again the strong market growth of the southern states compared to the Industrial Midwest. As the table below illustrates, Florida, North Carolina, Texas and Arizona's metro centers are growing dramatically with Raleigh, North Carolina's growth almost flowing off the chart. Florida's population growth driven by its metropolitan centers is a critical factor in the state's overall economic success and guarantees a bright future in the days to come.

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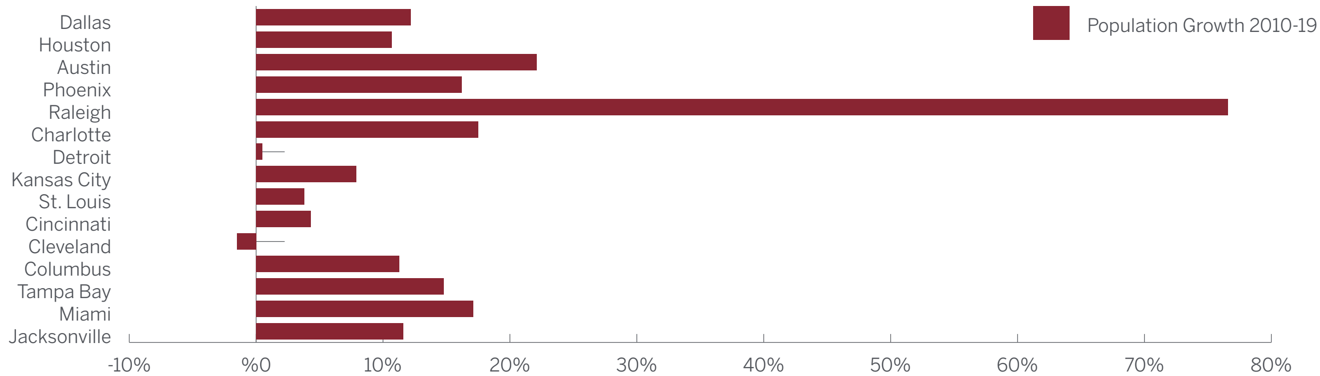
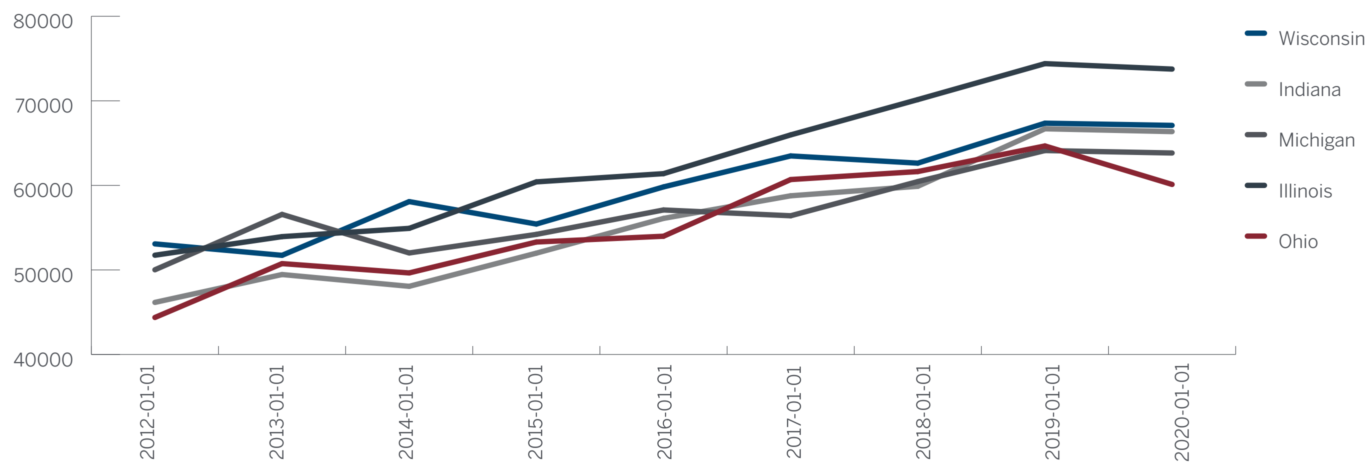
Population Growth by MSA 2010-19



Source: US Census Bureau

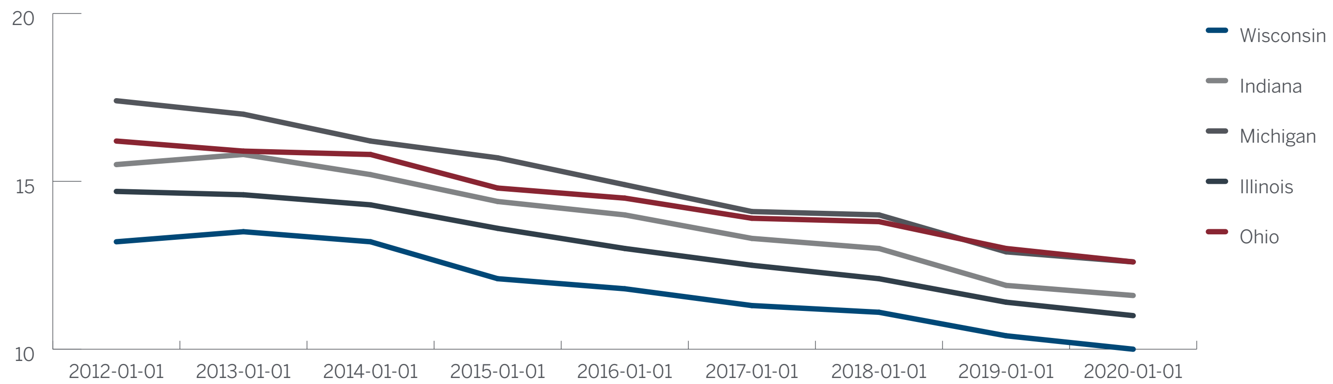
Demographic measures such as household incomes illustrate the economic vitality of a region. Measures of median household income are one way to determine if a state or region's economic stability. Ohio's median household income is lagging Midwest competitors as well as illustrated by the chart below.

Ohio Median Household Income Comparison



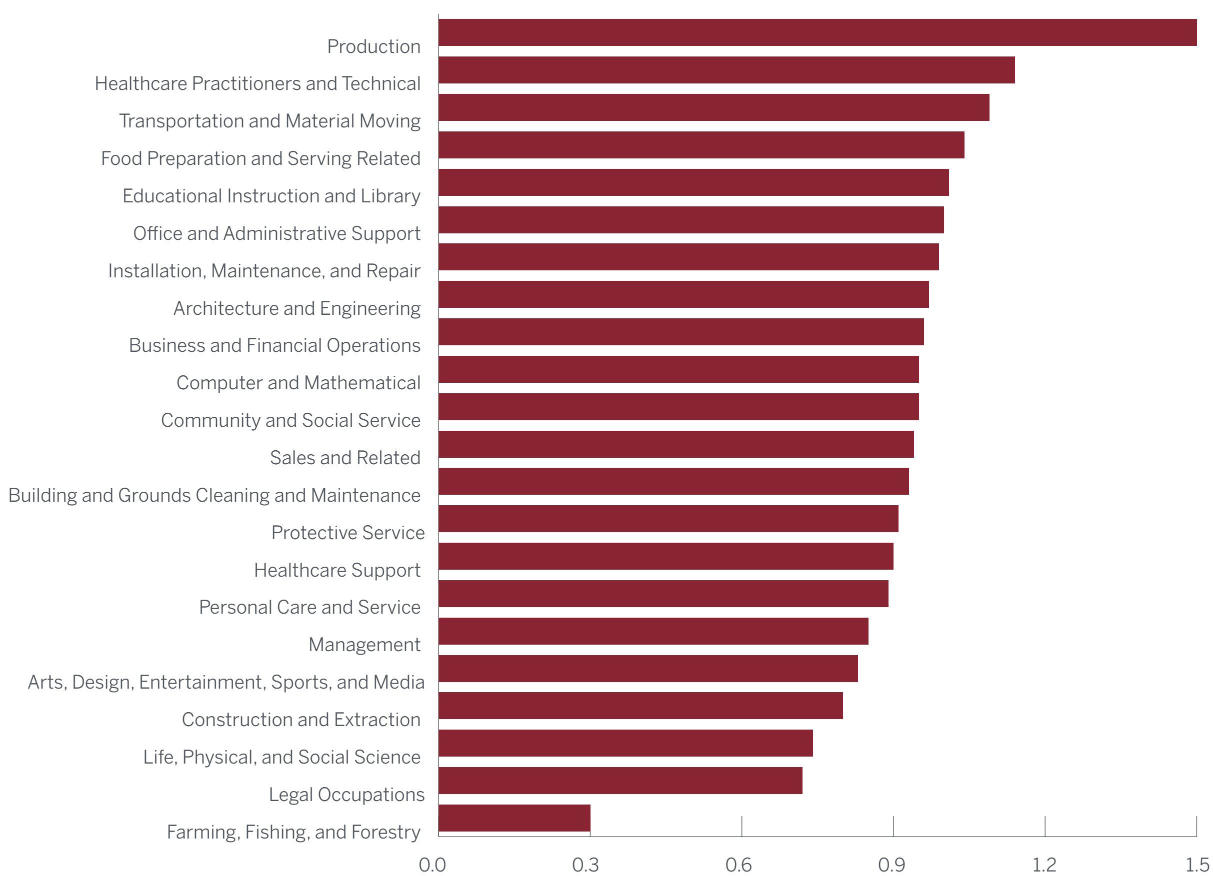
Federal government-established poverty rates illustrate how regions and states are impacting economic equity—are they providing an economic opportunity for everyone? As the table below illustrates, Ohio's poverty rate has declined in line with Midwestern state competitors illustrating an overall improvement in this key economic equity measure.

Ohio Poverty Rate



Industry Clusters. Industry clusters are regional concentrations of related industries.[3] Clusters consist of companies, suppliers and service providers, as well as government agencies and other institutions that provide education, information, research, and technical support to a regional economy.[4] Clusters are a network of economic relationships that create a competitive advantage for the related firms in a particular region, and this advantage then becomes an enticement for similar industries and suppliers to those industries to develop or relocate to a region.[5] Clusters exist in all types of economies and are more prevalent in locations that achieve better performance relative to their overall stage of development.[6] It is useful to view economies through the lens of clusters rather than specific types of companies, industries, or sectors because clusters capture the important linkages and potential spillovers of technology, skills, and information that cut across firms and industries.[7] Viewing a group of companies and institutions as a cluster highlights opportunities for coordination and mutual improvement.

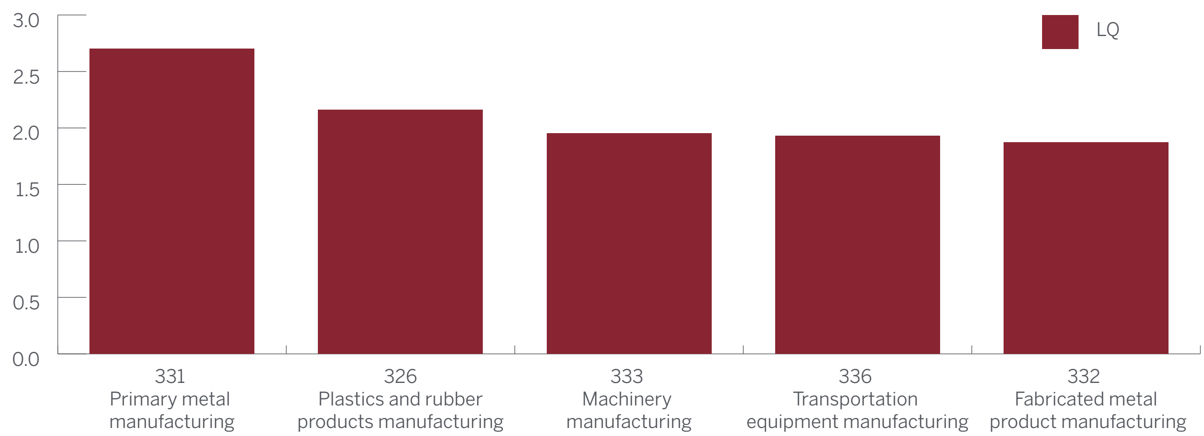
Ohio's Occupational Concentration by Location Quotient



A Location quotient is an indicator of the economic concentration of a certain industry in a state, region, county, or city compared to a base economy, such as a state or nation that measures industry clusters in a region. A location quotient greater than 1 indicates a concentration of that industry in the area. A location quotient greater than 1 typically indicates an industry that is export oriented. An industry with a location quotient of 1 with a high number of jobs present is likely a big exporter and is bringing economic value to the community feeding the retail trade and food services sectors.

As the table above illustrates, the state of Ohio operates a diverse economy true to its Industrial Midwestern heritage and the table below takes a deeper dive into the occupational strengths of Ohio.

Ohio's Top Industries as Measured by Location Quotient



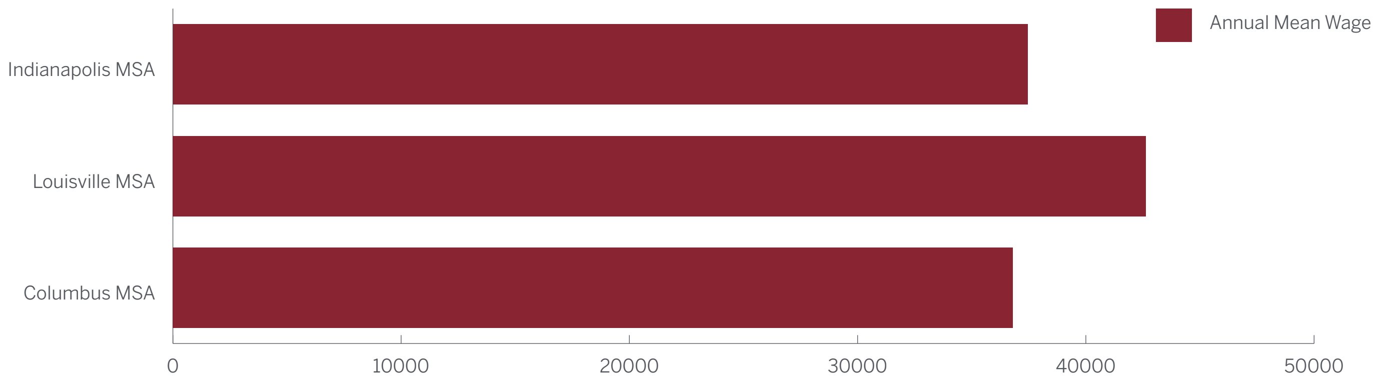
Workforce. A region's workforce is a critical measure of its economic success. An examination of a community's workforce has three distinct components: the size, unemployment rate, and education level of the workforce; the occupation and earnings of the workforce; and the commuting patterns of the workforce. As an example, Athens County, Ohio has a labor force of 27,100 with roughly 24,800 people actively employed. This employment level is a decrease of almost 1,000 people from 2016, however there were 26,580 employed in 2016 compared to 24,800 employed in 2019. The median household income and per capita income has increased significantly as well from 2016-2019. Modest increases in the percentage of residents with a high school degree or higher, and with a bachelor's degree or higher are positive indicators of residents obtaining the knowledge and skills needed to compete for jobs.

Athens County Workforce Economic Snapshot, 2019

Workforce Statistics	Athens County	Ohio	US
Civilian Labor Force	27,100	5,727,500	161,370,000
Employed	24,800	5,206,200	99,242,550
Unemployment Rate	8.4%	9.1%	10.2%
Mean Travel Time to Work (mins)	20.3	23.5	26.6
Median Household Income	$37,778	$54,533	$60,293
Per Capita Income	$20,745	$30,304	$32,621
Poverty Rate	30.7%	13.9%	11.8%
High School Graduate or Higher	89.6%	90.1%	87.7%
Bachelor's degree or Higher	29.7%	27.8%	31.5%

Source: U.S. Census Bureau, Ohio Labor Market Information

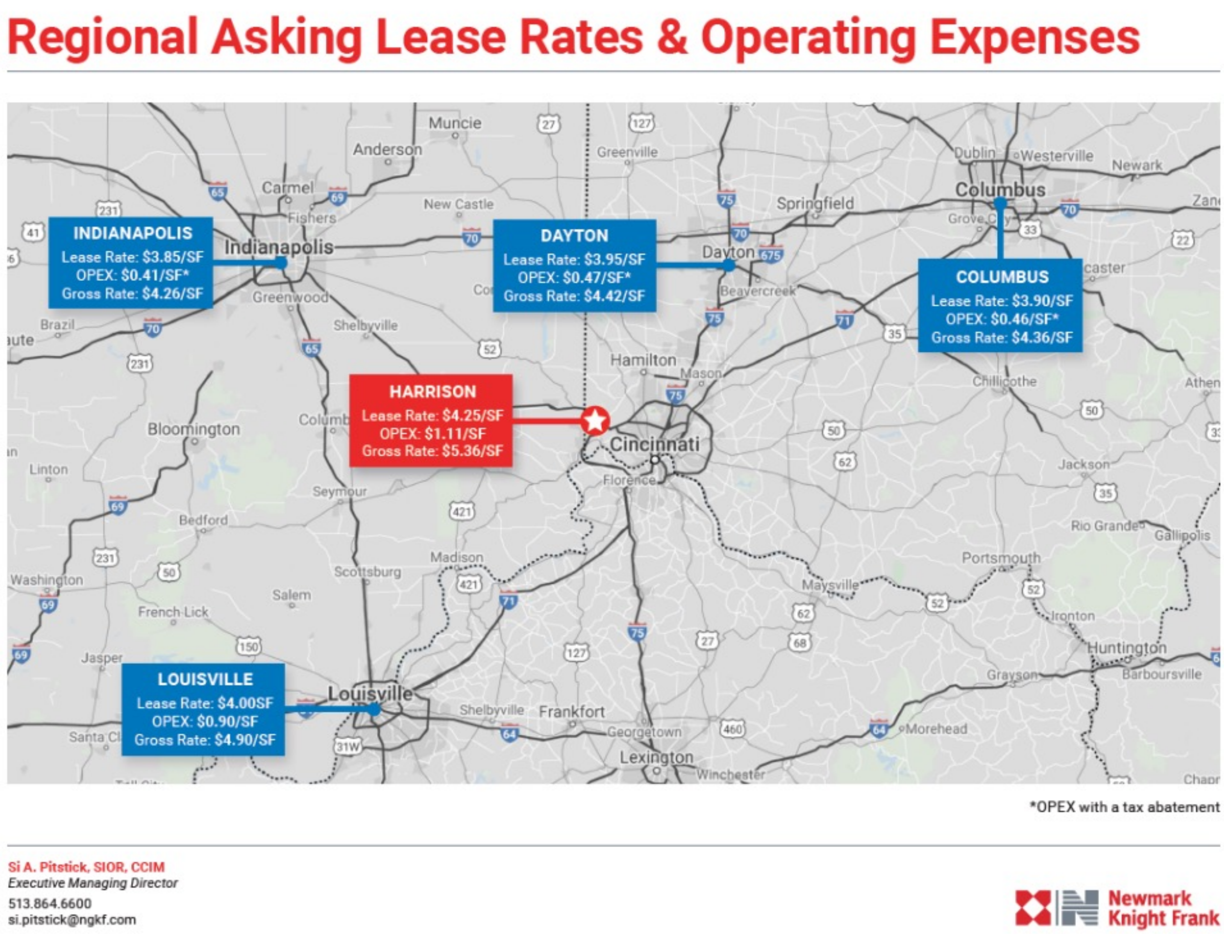
Annual Mean Wage for Transportation and Material Movers Workers



Source: US Bureau of Labor Statistics

As the chart above illustrates, the Columbus, Ohio region has a cost advantage with the workforce classification tied to the logistics industry which assists the region in competing for these jobs.

Cost of Doing Business. A company's costs of real estate, construction, energy, and taxes are typically the major cost drivers at a site other than its workforce. Real estate costs vary depending on decisions about whether the company wants to buy or rent real estate and is dictated by regional market issues such as available land, market regulation, vacancy, rental, and absorption rates. The map below illustrates the range of real estate market costs in regions that compete for industrial projects in the Ohio-Indiana-Kentucky marketplace.



Construction costs are driven again by global and regional factors such as the availability and cost of building supplies and construction labor. Thirty different federal government measures can assist in comparing the costs of construction in given regions by reviewing measures of inflation, occupational wages, materials costs, and other aspects of building construction. Of course, gaining quotes from regional construction companies is the truest method of determining construction costs related to an economic development incentive project.

Energy costs can be dictated by either state regulators (roughly half the states operate with electric and natural gas utilities regulated) or by energy marketing firms that sell retail electric services on the open market. Many states offer energy economic development incentives that permit public utilities to seek reduced power rates based upon an energy-intensive user who is proposing a project with high-wage jobs associated with it.

Taxes by the state and local governments are a critical component of measuring the cost of doing business in a region. Different local and state governments tax businesses differently. What and how much local and state governments tax business is a policy decision not just to collect the revenues needed to pay for schools, roads water, public safety, and other essential services but is also a public policy decision impacting a company's economic development incentive.

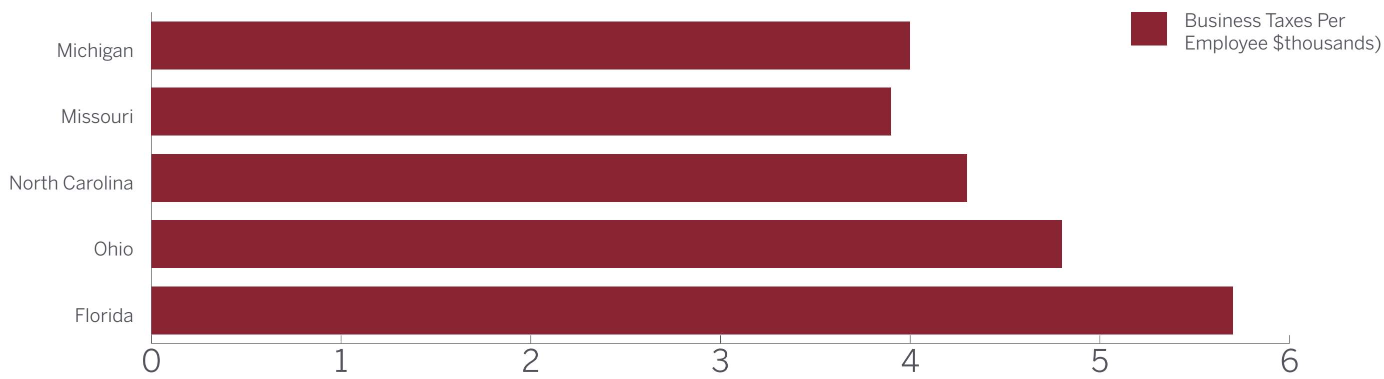
Local and State Business Taxes on Business

- **Property taxes on real and personal property**
- **General sales taxes paid on purchases of goods and services used in production**
- **Excise taxes on share of motor fuel taxes and other selective sales taxes**
- **Corporate income taxes**
- **Gross receipts taxes**
- **Taxes on insurance premiums and utility gross receipts**
- **Individual income taxes on pass-through business income**
- **Unemployment insurance taxes paid by employers**
- **Business licenses, including general business licenses, specific industry and occupational licenses, and commercial motor vehicle licenses**
- **Severance taxes on mining, natural gas, oil and other natural resources**
- **Gross receipts tax**

Source: Council of State Taxation

Ultimately, how much taxes a company pays at a location impacts its decision as to whether to locate in the region and defines the critical role of economic development incentives. The specific taxes a company will pay at a site is a critical cost of doing business factor the local and state government can directly impact through tax incentives. As the table below illustrates, companies in Michigan and Missouri pay a lower effective tax rate than companies in Florida, Ohio and North Carolina.

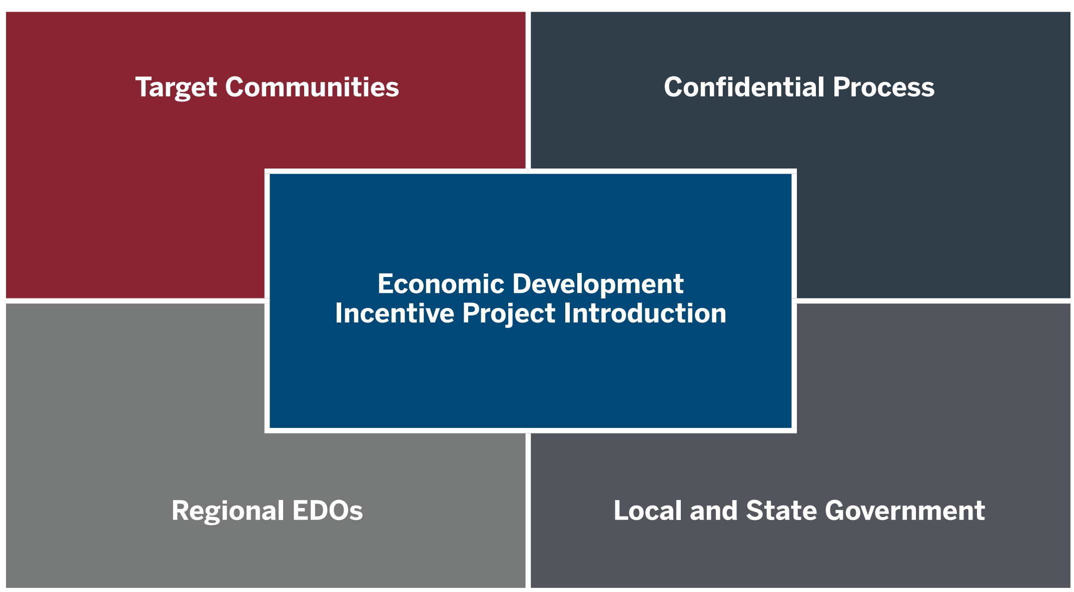
Business Taxes Per Employee $thousands



Source: Council of State Taxation

Ohio Economic Development Incentives Process. Successfully gaining economic development incentives in Ohio requires an understanding of the process local and state governments as well as regional and state private sector economic development organizations follow.

Project Introduction. Economic development incentive project introductions need to be focused on a handful of communities based upon a data-driven analysis, kept confidential as long as possible and communicate everything the company needs in a site without relaying who the company is, and utilize regional economic development organizations while recognizing that most often local and state governments control land use entitlement and economic development incentive approval.



Target Communities. Market research should dictate communities that should be considered for economic development incentive negotiations. This market research should be focused on regional macroeconomics, demographic, workforce, industry cluster, cost of doing business, and customer and supply chain analysis. Market research may consider a larger number of communities, but ultimately successful economic development incentive projects narrow down to a handful of communities to keep the economic development incentive project on track from a timing standpoint. No location should be considered that the company would not be comfortable locating in. No location should be considered based solely on economic development incentives. Incentives are the "icing not the cake." Cake tastes better with icing but a complicated site in an expensive market not connected to a company's industry or supply chain is not made better with economic development incentives. In fact, locations that may be the best fit may not even have economic development incentives attached to it.

Confidential Process. The introduction of a economic development incentive to a local community needs to be a confidential process. An open public economic development incentive process as used by Amazon for their HQ2 project is not recommended. This open process creates too many unhappy regions as hundreds may apply for a economic development incentive project and only a handful are even considered. More importantly, if a company is considering consolidating or moving facilities, a detailed communications plan to employees needs to be in place rather than employees reading about a potential move in the news media. A better approach is to use a data driven, confidential process that does not become public until approvals for land use entitlements and incentives are underway. Companies launching economic development incentive project should be sensitive to state public records law which can jeopardize their confidential process. Ohio's Public Records act applies to "public records," which are "records kept by any public office."[8] The term "public office" is defined to include "any state agency, public institution, political subdivision, or other organized body, office, agency, institution, or entity established by the laws of this State for the exercise of any function of government."[9] Cities, counties, port authorities and Community Improvement Corporations are all public offices, but many of the other Special Purpose Entities are not "public offices" by statute.[10] As a result, each entity must undergo an analysis to determine if compliance with the Public Records Act might be required. Notably, however, the Public Records Act specifically provides that JobsOhio, the nonprofit corporation that promotes job creation and economic development in Ohio, is not a public office under the Public Records Act.[11] Not only is JobsOhio not a "public office," but by statute, its records are not public records.

Regional EDO Communication. A confidential Request for Proposal or project letter is then sent from a economic development incentive consultant or legal counsel that outlines the nature of the economic development incentive project and the specific needs of the company related to the site in question with specific infrastructure, workforce, incentive and site needs. Generally, regional economic development organizations within or through a public-private-partnership with business are the prime point of contact for launching a economic development incentive project.

Larger metro regions are served by private sector organizations supported by public and private sector resources and whose prime focus is the market their region for business retention and expansion projects. These organizations are not able to approve land use decisions or award economic development incentives, but they can prove an effective resource to guide economic development incentive projects. A prime benefit of these private organizations is that they are generally not regulated by public records laws and can operate in a confidential basis built upon a non-disclosure agreement. These regional economic development organizations can locate sites, access local macroeconomic, demographic, workforce and industry cluster data that can confirm a company's research of the region, coordinate conversations with local and state government entities for land use entitlement and economic development incentives, coordinate site visits and act as the point of contact for company economic development incentive searches. Some states, like Ohio, Michigan, Florida and others operate with a private sector economic development corporation coordinating the state's economic development programs.

Unlike other states whose urban regions are more likely than rural regions to operate private, regional economic development organizations to promote the state for the retention and creation of high-wage jobs, Ohio operates six regional Jobs Ohio Network organizations covering all 88 counties. These organizations, illustrated by the map to the left, serve as the prime, initial point of contact for companies considering the retention and expansion of jobs in Ohio. However, these organizations are limited to the role of marketing organizations and supporters of projects. In Ohio, local governments, the state of Ohio and Jobs Ohio retain control of the billion dollar plus pool of economic development incentives.

Local and State Governments. A wide range of local and state government entities may be involved in project introductions as well as these entities have the authority and resources to award land use entitlements and economic development incentives where private regional economic development organizations do not. State, municipal, township and county governments all may be relevant for the economic development incentive process as they by state law implement land use entitlements, award property tax abatements, and may have their own performance-based economic development incentives to award. Local governments may also operate special purpose entities that implement a range of economic development programs relevant to economic development incentive projects. Special purpose entities may include port authorities that provide project financing and construction materials sales tax exemptions, joint economic development districts that develop sites in partnerships with townships and cities, transportation improvement districts that act as a conduit for large-scale transportation projects, community improvement corporations, or community urban redevelopment corporations which are quasi-public agencies that operate economic development initiatives often targeted to a specific geographic area, or new community authorities which are quasi-public agencies that can assess property owners to fund public infrastructure and other projects.

Ohio Site Development. Preparing a site for development is a critical step to retaining or growing jobs and making a capital investment in the state of Ohio. Montrose Group's focus is to create a Public-Private-Partnership (PPP) that makes a site attractive for job creation and capital investment while providing a pipeline of tax revenues and other funding for local and state government and schools. Analyzing a site is a critical step for determining whether a specific location is the best spot in a market for a particular company. Different industries need different sites. Energy intensive heavy manufacturing like chemical factories are going to find sites with access to massive amounts of energy and less residential development more attractive. Companies need to consider a site's transportation infrastructure and whether that location will be able to serve the trucking or rail transportation the business needs. The water and sewer capabilities of the site also matter as no site can develop without these services. How the capital investment will impact water drainage at a site also is relevant as neighbors to new investment can become opponents if the new capital investment has a negative impact on their land. Reviewing the regulatory requirements of the local and state political jurisdiction is very important as some communities may have the environmental, workforce, wage rate requirements, labor union construction regulations, and other government regulations impacting the development of a site. Finally, projects need to understand how local and state economic development incentives can benefit the planned capital investment and job creation at a site and the local and state governments and school districts. Most successful economic development incentive projects don't just award money to companies in exchange for job creation and capital investment but development revenue flows for local and state governments and school districts.

Site Analysis	Land Use Entitlements	Public Infrastructure	Tax Incentives	Compensation Agreements & Revenue Estimates
• Targeted Industries • Infrastructure • Transportation • Skilled Workforce • Regulatory Review • Incentive ROI	• Zoning Amendment • Annexation	• Ohio Rural Industrial Loan Program • JobsOhio Revitalization Program • Joint Economic Development District • Ohio 629 Grants • Tax Increment Financing • Water & Sewer Agreements	• Community Reinvestment Area • Enterprise Zone • Sales Tax Exemption • Downtown Redevelopment Districts • Tranformational Mixed Use District Tax Credits	• Schools • Townships • County • Cities

Ohio Land Use Entitlements. Local governments manage design, growth, and development typically through a comprehensive plan that can serve as a legally binding document that sets the overall goals, objectives, and policies to guide the local legislative body's decision-making regarding the development of a region or community. Municipal or county planning commissions help guide growth and development and set the framework for zoning regulation. These local government organizations could be elected, or appointed officials and their focus is the development of studies, maps, and plans that recommend planned uses for land-based upon the physical, environmental, social, economic, and governmental characteristics, functions, services, and other aspects" of their geographic area.[12] Planning commissions are also responsible for the initial review of new zoning ordinances or amendments to existing zoning ordinances.[13]

Article XVIII, Section 3 of the Ohio Constitution, known as the home-rule amendment, allows municipalities to adopt a home-rule charter. This charter is the functional equivalent of a constitution and establishes in broad strokes how the municipality will be organized and how it will exercise its powers of self-governance, including planning and zoning regulation.[14] Municipalities that have such charters are not required to follow the Revised Code with respect to enacting, amending, or administering zoning ordinances. Instead, they follow the procedures set out in their charter.[15] When there is no charter or ordinance or a city's charter is silent on zoning regulation, however, the city must follow the specifics of the law as established by Ohio Revised Code Chapter 713.[16] Zoning is a key component of the basic system of land use regulation. Zoning regulations provide for orderly growth, generally in furtherance of comprehensive plans; limit the interaction of incompatible uses; and protect the public health, safety, and welfare. The constitutionality of zoning regulation, as an exercise of police power, is established by the Supreme Court in *Euclid v. Ambler Realty Corp*.[17] As a direct result of *Euclid*, most zoning in America creates housing subdivisions characterized by auto-dependent design and segregated land uses, resulting in massive suburban development. This conventional zoning creates neighborhoods with five key components:

- Housing subdivisions;
- Shopping canters, composed of single-use retail buildings, usually a single story with exclusive parking areas;
- Office/business parks, also single-use and served by exclusive parking areas;
- Civic institutions, such as churches, schools, and libraries, generally large and separated from other uses and served by exclusive parking areas; and
- Roadways connecting these separated land uses and designed exclusively for the use of automobiles.[18]

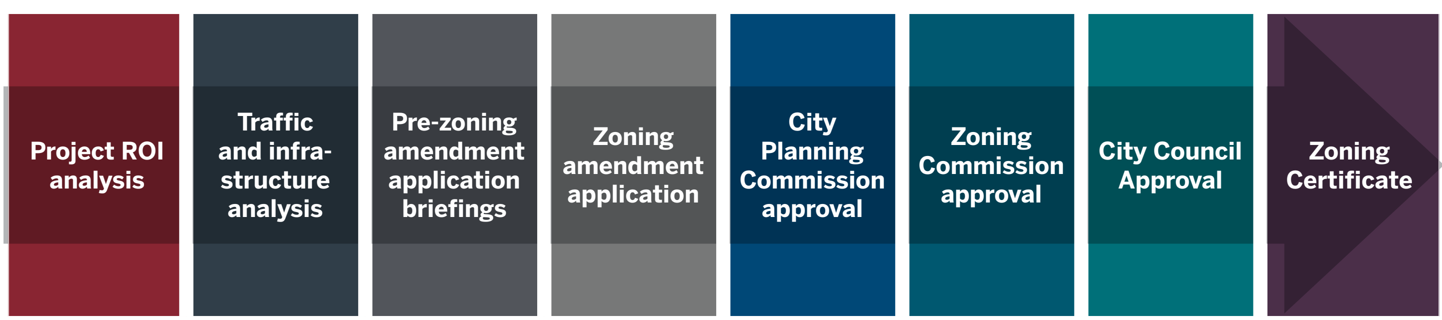
Traditional zoning divides land within a jurisdiction into districts, or zones, with varying restrictions on uses that may be established and conducted in the different zones and standards (such as size and location of buildings, yard areas, and intensity) such uses must meet. The local legislative body may divide the municipality into districts of such number, shape, and area as may be best and within such districts, it may regulate and restrict the erection, construction, alteration, repair, or use of buildings, structures, or land.[19]

Economic development projects that need to change the zoning at their site can achieve that zoning change using a zoning amendment, use variance, area variance or non-conforming use. A zoning amendment is the rezoning of a parcel (s) from one zoning category to another that better permits the intended use of the land. As an example, a site that is currently zoned to permit agriculture will need to be rezoned to a manufacturing or logistics category to permit that site to be transformed into an industrial park. Many regions have created special zoning categories for industrial parks that contain a full package of zoning mandates consistent with the land use, building heights, roadway access, and other issues relevant to special industries such as logistics.

Changes to the use of property can also be achieved through the variance process. A use variance is a request to deviate from current zoning requirements, and it permits the owner to use the land in a manner not otherwise permitted by the zoning ordinance.[20] Area variances are also permitted the depart from the zoning code for size and setback requirements. This type of variance is held to a lesser standard, and property owners seeking an area variance must only prove the zoning ordinance creates "practical difficulties" for the burdened parcel.[21] A variance is a specific waiver from the zoning ordinance and standards for awarding a variance focus on whether the property owner can demonstrate that existing zoning regulations present a practical difficulty in making use of the property.[22] The process for awarding a variance is similar to that of gaining a zoning amendment. A zoning variance application must be filed and notice is provided to adjacent property owners.[23] Public hearings by a city planning or development commission or a township zoning commission prior to the final decision by the city council or township trustees are held with recommendations provided by the planning or zoning commission and the final decision rests with the city council or township trustee.[24]

A nonconforming use is permitted use of property that would otherwise be in violation of the current zoning ordinance.[25]. The use is permitted or "grandfathered in" because the landowner was using the land or building for that use before the zoning ordinance became effective. the property almost always needs to have been continuously put to conforming use to gain the permit.[26] Finally, conditional use permits allow an otherwise non-permitted use of the property that the zoning code does not include.[27] Conditional use permits are usually granted at a public hearing before a political body, usually with the conclusion that the new use of the property will be in the public interest.[28]

Many successful zoning change applications start with an aggressive pre-application approach that begins with meeting the local government zoning staff and impacted community. Early completion of traffic and engineering studies pays big dividends later. Next, those seeking zoning changes obtain written service commitments for public sewer and water services, engineering approval of the legal description, and an outline of the economic model and time constraint for the project. The project may then be prepared to file a zoning application. The zoning application includes a statement of compliance to the comprehensive plan applicable to the area, detailed legal descriptions of all subareas, site plans, elevations, and construction materials palette. Project drawings illustrate how the proposed development "fits in." Also, the zoning applicants provide certification of financial capability to execute the project if approved and a vicinity map showing the names of neighbors.



Notice is then provided to all persons mandated by the zoning ordinance/resolution, mailed to the tax mailing or street addresses, through publication in a newspaper of general circulation or posting a sign(s) on the property. Once the zoning application is received by the zoning official, the staff reviews for accuracy and completeness, and a hearing is held before a regional planning commission. A written recommendation to the jurisdiction's planning commission is then created, and ultimately a vote is taken on the zoning by the city council or township trustees. However, in many jurisdictions, the citizens still retain the right to place a referendum on the ballot to overturn the zoning action by the city council.

Annexation. Annexation is the process of bringing land from an unincorporated area (township) into a municipality. Annexation is a local government tool to manage growth, spur economic development, coordinate land use and consolidate cities to prevent numerous new, small local governments from being created.[29] Annexation has roots going back to the early 1800s as the most common approach to adjusting municipal boundaries.[30] Nearly all states generally require annexed land to be contiguous or connected physically to a city but 14 states do make exceptions for non-contiguous property.[31] 20 states require the annexing city to present a public service plan for the territory to be annexed and 7 states go a step further and require impact reports to be prepared that include an examination of fiscal impacts.[32] Typically, annexation is initiated through a local government ordinance but 2 states, Alaska and Maine, do not permit cities to annex through local ordinance and over half of the state laws require some form of election in the area to be annexed at some point in the process.[33] Minnesota's independent commission determines annexations while states such as Virginia put the annexation issue into the hands of the judiciary.[34] There is a clear trend against solely giving annexation authority to municipalities and states are promoting more public involvement in the process. States such as Tennessee require a highly detailed service plan outlining the police and fire protection, sanitary sewer, solid waste disposal and water and electrical services, road and street construction and maintenance, recreational facilities and zoning services of the land to be annexed.[35]

Consulting restraints against annexation exist as well. These consulting restraints include:
- Judicial review and oversight;
- Requirement for a vote of the people through a referendum;
- Requirement for a detailed public service plan;
- Approval required of county government officials;
- Creation of annexation impact reports on local governments; and
- Review by a boundary agency body.

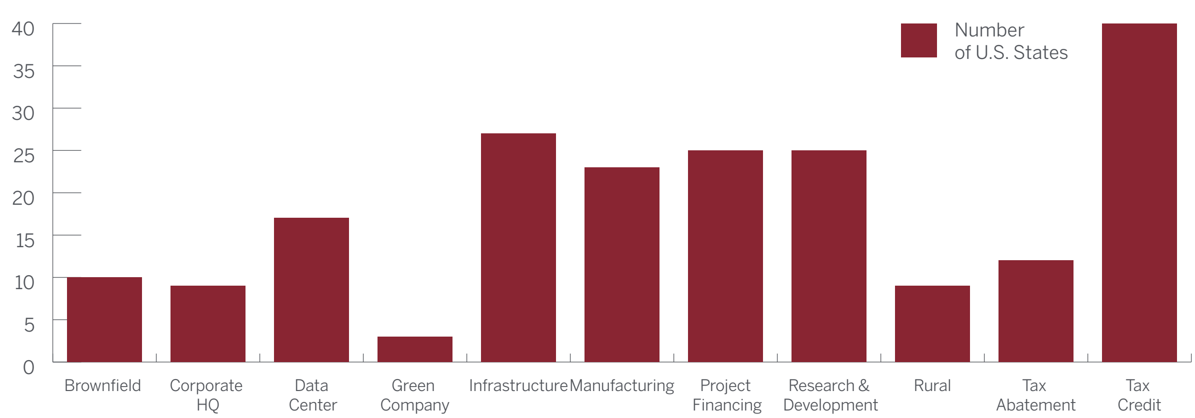
Different states enact annexation in different ways. The majority of the states require some form of population determination either through a vote of the people through a referendum or a signed petition of impacted residents. Eight states empower municipalities to simply act unilaterally to expand their boundaries, and five state permit the judiciary to make annexation decisions. Ten states require an independent and nonjudicial commission to decide whether or a not an annexation should occur and five states even have their state legislature deliberates each annexation proposal.

Under the Ohio's annexation statute, there are multiple annexation procedures: a "regular" (majority owner petition) annexation; a municipal petition process for property owned by the municipality, the county or the state; and several "expedited" procedures on petition of all the owners of property to be annexed. The new Ohio "REGULAR" annexation procedure is known as the majority owner procedure and is commenced by a petition signed by a majority of owners, including a map and consulting description, filed with the county commissioners.[36] The petition must be accompanied by a list of all owners in and adjacent to or across the street from the proposed annexation area and the agent must notify the municipality, township and landowners in the area proposed for annexation of the filing of the petition and the hearing.[37] The notice must let the land owners know they can remove their signature within 21 days of date notice was mailed and notice must also be given to owners adjacent to and across the street from the proposed annexation area by mail and publication.[38] The municipality must adopt a service ordinance, and the County Commissioners decide approve or deny the annexation within 30 days after the hearing is concluded.[39] The County Commissioners must make specific findings of fact. These include facts such as the petition satisfies the statute's technical requirements, was properly filed and signed by a majority of the owners of the property to be annexed.[40] It is also relevant if the municipality adopted the required service ordinance, the territory is not unreasonably large, and, on balance, the general good of the territory proposed to be annexed will be served.[41] Finally, the benefits to the territory proposed to be annexed and the surrounding area must outweigh the detriments to the territory proposed to be annexed and the surrounding area if the annexation petition is granted.[42] The surrounding area must include the unincorporated area within a half mile of the territory to be annexed, no street or highway will be divided or segmented so as to create a road maintenance problem, and the municipality must agree to assume road maintenance responsibility as a condition to annexation.[43] The County Commissioners grant or deny the petition based on a preponderance of reliable and probative evidence on the whole record and losers may appeal the decision to court.[44]

The Ohio "Municipal" petition process permits a city to petition for annexation of contiguous land owned by the municipality, the county, or the state.[45] The County Commissioners must act on the petition within 30 days after filing and no hearing is required.[46] If the annexation is of city owned land, or if the land is owned by the state and the Director of the Ohio Department of Administrative Services has consented in writing to the annexation, the commissioners are required to allow the annexation.[47] If the annexation is of county owned land, the County Commissioners have discretion to grant or deny the petition.[48] The annexed territory remains a part of the township, and the land may not be excluded from the township.[49] No appeal is allowed from the grant of an annexation on the petition of a municipality, but an annexation will be voided if the municipality purchases property below fair market value and sells or agrees to sell the property back to original owner.[50] The Ohio "Expedited Type 1" annexation procedure requires an annexation petition to be signed by all of the property owners within the area to be annexed and may be accompanied by either an annexation agreement or a cooperative economic development agreement executed by the township and the municipality.[51] There is no hearing, no notice is required and the County Commissioners must approve the petition at the next regular board meeting with no appeal allowed.[52] The Ohio "Expedited Type 2" annexation procedure is permitted if all the property owners sign an annexation petition, the territory to be annexed does not exceed 500 acres, shares a common boundary with the municipality for a continuous length of at least 5 percent of the perimeter of the territory to be annexed, does not create an unincorporated area of the township that is completely surrounded by the territory to be annexed, and the municipality agrees to serve the annexed territory.[53] The township or city may object to the proposed annexation and the County Commissioners must grant or deny the petition within 30-45 days after the petition is filed.[54] The Ohio "Expedited Type 3" annexation is only for significant economic development projects which result in investment (private real and personal property, not including payments in lieu of taxes) of $10,000,000 or more and an annual payroll of $1,000,000 or more (excluding retail), as certified by the state director of development.[55] The petition must be signed by all of the property owners within the territory to be annexed, and the township and municipality may consent or object to the proposed annexation.[56] If both consent, the County Commissioners must adopt a resolution granting the petition at their next regular session, and the County Commissioners must conduct a hearing on the petition at their next regular session if an objection is filed.[57]

Local, State, and Federal Economic Development Incentives. To address the regional cost of doing business factors, all fifty states offer some form of economic development incentives. As the chart below outlines, infrastructure incentives are provided by all the states in the union. State economic development tax credits follow closely behind the infrastructure program as the second most popular tax incentive program in the nation with efforts to attract data centers and using general tax abatements tying for third. Princeton Economics estimates that state and local governments invest about $30 B dollars in economic development incentives annually.[58] According to the Council of State Taxation, businesses paid more than $839.3 B in 2020 up from $781 B in state and local taxes in FY18.[59] Thus, while economic development incentives at times catch media headlines, they still constitute a very small percentage of the tax revenues state and local governments captures for companies.

Local and State Economic Development Incentive Programs



Tax credits are tools private developers, investors, and individual companies use to reduce tax burdens in exchange for economic growth. Tax credits may be either refundable or nonrefundable. A refundable tax credit, a moderate form of negative income tax, can reduce the tax owed below zero and result in a net payment to the taxpayer beyond its own payment into the tax system. A nonrefundable tax credit cannot reduce the tax owed below 0; thus, taxpayers do not receive a refund exceeding their payments into the tax system. Most state economic development tax credits are triggered by high-wage, non-retail job creation, and some level of capital investment. These tax credits in most cases are competitively awarded as there is a limited amount of state government funding available to support them. Thus, higher job growth, higher wage, and larger capital investments from companies attractive for investment are given priority for these tax credits.

To attract new businesses and encourage the expansion of existing businesses, state and local governments also may offer tax abatements as an economic development incentive. Tax abatements temporarily decrease the amount of taxes a business owes. While this tax incentive has a general effect on property taxes, the means employed by state and local governments to achieve this effect varies from program to program. Enterprise Zones are the most common tax abatement program.[60] These programs offer real and personal tax incentives to businesses that expand or locate within designated "Enterprise Zones." First, the locality must designate an area as an Enterprise Zone. Enterprise Zone designation is based upon an area's poverty and unemployment rate. However, state law may not limit which municipality may use the Enterprise Zone program; thus, Enterprise Zones are as prevalent in wealthy suburban communities as they are in the poor, inner-city neighborhoods. This goes against the original intent of the Enterprise Zone program. Once designated, businesses that wish to build or expand in Enterprise Zones can apply for the program's abatement. Generally, the tax incentive permits the local government to offer a full or partial exemption of the real or personal property values attributable to the new development.

States offer outright grants for companies in exchange for the retention and creation of an agreed-upon number of jobs and capital investment. A recent trend is a use of "closing funds" as the dominant form of economic development incentives. States moved to streamline their economic development incentives and focus on the creation of a large fund that makes cash awards to companies through major economic development incentive projects. Low or no-interest government-sponsored loans or other project financing programs are an attractive alternative to banks or other private sector financing for a planned economic development expansion. Companies with growth potential face new challenges to gain the financing needed to move to the next level and eight states offer some form of a project financing program to attract economic development as outlined below. Port authorities are governmental agencies with few of restrictions placed on governments. Ports do not need a body of water or an airport to operate. Port authorities operate across the United States and provide services akin to a public bank providing a range of public finance tools critical to economic development projects. Three states have tax incentives designed to support the operation of local port authorities that including Alabama, Georgia, and Virginia. Arkansas, Ohio, and Wyoming also authorize port authorities to provide what is a sales tax exemption for the construction material in economic development projects that can produce substantial economic development savings.

Along with corporate headquarters, manufacturing jobs with their high wages and long supply chain that can provide a multiplier effect for the jobs have long been sought by economic development leaders across the nation. While nearly every general state tax credit can be used for manufacturing firms, eight states also have tax credits designed specifically for manufacturing firms. Research and development and technology-related jobs are another major focus for economic development leaders. Technology-based Economic Development initiatives are attractive because they create high-wage "multiplier" jobs with companies in the growth mode for the Information Age economy. Research and development, particularly focused on the recruitment of corporate research and development centers, is an economic development prize and seventeen states, as listed at www.montrosegroupllc.com, offer economic development incentives focused on gaining research and development centers. Many of these state programs are focused on the retention and attraction of major corporate research and development centers.

Infrastructure and Public Finance. The provision of infrastructure is the most traditional public subsidy provided by local and state governments to incentivize economic development. Infrastructure is the roads, water, sewer, rail, power, and telecommunications services needed to operate any use of a property. The government provides infrastructure for economic development projects either through their direct resources or through public finance tools that pay for infrastructure over a period of time.

TIF is the most popular tool for local governments to finance public improvements within their districts or areas. TIFs started in California in the 1950s, and today, the District of Columbia and all of the states, other than Arizona, have adopted some form of TIF program.[61] Local government pays for public improvements and infrastructure by capturing the future tax increments from the project's area under a TIF.[62] The local government issues bonds to finance the project, and the bonds are paid for later through the increase in taxable property value the improved area receives.[63] This increase in taxable property value is the "tax increment," and it goes directly toward repaying the debt incurred by the local government on the issued bonds.[64] TIF does not require an increase in taxes or a new tax levy. TIFs must provide an assured level of tax gains to provide the funding needed for the infrastructure planned. The crux of a TIF is the actual financing mechanism itself. Once a TIF project or district is approved, the local government can start collecting certain taxes from the project area. Generally, property taxes are the type collected, but a few states allow for other taxes, like sales taxes, to be included in the collection.[65] The taxes are then placed in a special fund, which reimburses the principal and the interest of the issued bonds.[66] Once the value of the property increases, the gain in the taxable value goes to the local government to repay the debt incurred by the issued bonds. Thus, if the process works as planned, the project is self-sustaining and provides a benefit to the community without any new or increased taxes.

Most states require the local government to show that the proposed development area is "blighted" or somehow economically depressed.[67] The definition of blight varies between states, but typically a blighted area involves structures, land, and businesses that are in such a damaged or poor state that they damage or threaten the entire municipality or county.[68] Some states allow areas that are commercially or residentially deficient to benefit from TIF projects as well.[69] A few states allow almost any TIF projects that the local government deems beneficial to the public or to economic development.[70] Besides having to work toward certain purposes, a project plan must be financially and economically sound. For a project to be worth a government's efforts and costs, the local government must ensure a tax increment will result from the plan. Also, a project plan must show that the planned infrastructure and improvements are economically feasible and cost-effective. Many states require the local government to prove that the proposed development area will not naturally regenerate itself or that private development cannot improve the area alone without the government's aid.[71] All of these additional requirements restrict a local government's freedom in funding projects, but they are necessary defenses against abuse of TIF.

States require public input or review from other interested parties before TIF legislation may be enacted.[72] A local government notifies the public and holds a public hearing about proposed TIF projects.[73] At these hearings, any individual can state reasons for or against the project. While this ensures public involvement, very rarely is public approval needed for TIF. Instead, the hearings merely serve as a way for a community to express itself. Sometimes, the relevant school board or tax authority is also given a role in the TIF approval process. School districts can make recommendations to the municipality, and a small number of states do not allow a TIF ordinance to go forward without school board or tax authority permission.[74] Because a significant amount of taxes could be taken from these entities, some states give the entities a legitimate mechanism to approve or object to the plan.[75] As previously mentioned, TIFs are being used with greater frequency and for more purposes than it was originally established.

TIF bonds are permitted to fund project costs and "public infrastructure." What constitutes a public infrastructure varies greatly from state to state. Public infrastructures is defined as improvements to land, streets, water lines, sewer facilities, buildings, bridges, highways, pedestrian walkways, storm drainage, traffic-related instruments, landscaping, schools, and parking structures.[76] More expansive jurisdictions allow for the funding of commercial, industrial, and residential structures.[77] Further, the use of eminent domain to acquire land is permitted in most TIF projects. As to project costs, they typically encompass all necessary and incidental costs of a development project such as the costs of issuing obligations, relocating displaced persons, organizational costs, and professional services fees.[78]

As the table below illustrates, states like Ohio offer substantial infrastructure and site development incentives.

Ohio Economic Development Incentives

Ohio Enterprise Zone Program

- Provides real and personal property tax exemptions to businesses making investments that are in conjunction with a project that includes job creation

JobsOhio Revitalization Program

- $500,000 to $5 M in loans and $1M in grants for redevelopment of sites create or retain at least 20 jobs for public or private sector applicants for site demo, environmental remediation, building construction, infrastructure and environmental testing

Joint Economic Development Districts

- Joint Ohio townships and municipalities served territory and capture potential income tax at the site to fund its infrastructure and public services

Ohio Brownfield Remediation Program

- $350 M in Brownfied remediation funding awarded by the Ohio Department of Development

Ohio Building Demolition and Site Revitalization Program

- $150 M in building demo and site revitalization funding awarded by the Ohio Department of Development

Ohio Rural Industrial Park Loan Program

- $30M in forgivable loans from $500,000 to $2.5M in 48 Ohio rural and underserved counties for 25 acre or bigger industrial or R&D sites for public or private sector applicants for up to 75% of project costs that include land purchase, building construction and infrastructure development with 10% equity required

Ohio Water & Wastewater Infrastructure Grant Program

- $250 M awarded by the Ohio Department of Development for helping Ohio communities make necessary water & wastewater infrastructure improvements

Ohio 629 Roadwork Grants

- Grants for public roadway improvements for manufacturing, research and development, high technology, corporate headquarters, and distribution projects that create jobs

Ohio Site Inventory Program

- $50M annually in JobsOhio grants for speculative office or industrial projects site development costs

Tax Increment Financing

- Local governments program that defines districts to capture future assessed value of property tax for the use on public infrastructure

JobsOhio Revitalization Program
The JobsOhio Revitalization Program offers $500,000 to $5M in loans and $1M grants to bridge the financial gap between the appealing cost of brownfield sites and the cost of site redevelopment. This program is available for redevelopment of sites creating or retaining at least 20 jobs for public or private sector applicants for site demos, environmental remediation, building construction, infrastructure, and environmental testing. The loan can be applied to 25%-75% of eligible project costs.

Joint Economic Development Districts
Ohio's Joint Economic Development District program permits townships and municipalities to agree to serve territory and capture potential income tax at the site to fund its infrastructure and public services. Ohio townships do not have the ability to levy an income tax but can partner with a municipality for the collection of income tax to provide public infrastructure including sewer and water and roadwork.

Ohio Brownfield Remediation Program
$350 M in Brownfield remediation funding was awarded by the Ohio Department of Development. These funds are distributed on a first-come, first-served basis. An entity may apply for as much funding as they need. However, there is an up to the $10 million dollar per clean-up and $300,000 assessment per project thresholds in the guidelines.

Ohio Building Demolition and Site Revitalization Program
$150M in building demo and site revitalization funding was awarded by the Ohio Department of Development for blighted, vacant or abandoned structures. These funds are distributed on a first-come, first-served basis. Commercial properties, such as buildings that were used for retail, office, manufacturing, industrial, industrial warehousing, institutional, or other non-residential or mixed-use purposes, and residential buildings on sites that are not brownfields are eligible properties.

Ohio Rural Industrial Park Loan Program
The Ohio Rural Industrial Park Loan Program promotes economic development by providing low-interest direct loans to assist eligible applicants in financing the development and improvement of industrial parks and related off-site public infrastructure improvements. The loan may be used to finance up to 75% of allowable project costs with loan amounts from $500,000 to $2,500,000. A minimum of 10% equity contribution from the borrower is required. At least 50% of the outstanding loan balance may be forgiven upon successful completion of the project as described in the application and loan agreement.

Ohio Waste & Wastewater Infrastructure Grant Program
$250M was awarded by the Ohio Department of Development for helping Ohio communities make necessary water & wastewater infrastructure improvements. There are two types of eligible projects, design or construction. Design projects, which can receive a maximum award of $250,000, should be submitted after an eligible applicant has completed the preliminary planning phase of a project. Construction projects, which can receive a maximum award of $5M, can receive funding for water or sewer/wastewater facility improvements, covering tap-in fees for households connecting to a centralized sewer system, professional fees (cannot exceed 10% of total request), and administrative costs (cannot exceed 10% of total request).

Ohio 629 Roadwork Grants
Grants for public roadway improvements for manufacturing, research and development, high technology, corporate headquarters, and distribution projects that create jobs. Grants are provided to local jurisdiction and require local participation. They can be used to reimburse accumulated costs.

Ohio Site Inventory Program
$50M annually in JobsOhio grants and low-interest loans for speculative office or industrial projects site development costs. Loans will typically support new construction. Grants will typically support costs associated with demolition, environmental remediation, building renovations, site preparation, and infrastructure improvements.

Ohio Megaproject
Grant awarded to Megaproject Operators and Megaproject Suppliers for projects that require unique sites, extremely robust utility service, and a technically skilled workforce. The Megaproject Operator, the taxpayer

that undertakes and operates a Megaproject, must compensate project employees at an average hourly wage of at least 300% of the federal minimum wage and make at least $1 billion in fixed-asset investments, or create and maintain at least $75 million in Ohio employee payroll. Megaproject Suppliers, businesses that sell tangible personal property to a Megaproject Operator, must make at least $100 million in fixed-asset investments in Ohio, create at least $10 million in annual Ohio employee payroll, and maintain at least $10 million in Ohio employee payroll over the term of its Job Creation Tax Credit (JCTC). Both qualifying Megaproject Operators and Megaproject Suppliers are eligible for enhanced incentives that could materially increase the value of an incentives package. Megaproject Operators and Megaproject Suppliers may be awarded a JCTC, EZ, or a CRA with a term up to 30 years, double the maximum term for non-Megaprojects. Additionally, there is a commercial activity tax (CAT) exclusion for gross receipts of a Megaproject Supplier from sales of tangible personal property to a Megaproject Operator.

Community Reinvestment Area

The Ohio Community Reinvestment Area ("CRA") program is an economic development tool administered by municipal and county governments that provides real property tax exemptions for property owners who renovate existing or construct new buildings. CRAs are areas of land in which property owners can receive tax incentives for investing in real property improvements. Municipalities and counties can designate areas where investment has been discouraged as a CRA to encourage revitalization and development. Ohio CRAs are delineated into two distinct categories: Pre-1994 and Post-1994.

Pre-1994 Ohio CRAs provide a 100% real-property tax exemption for residential, commercial, or industrial projects and do not require approval for this abatement from the local school board. Pre- 1994 CRAs were established directly by municipalities or counties and did not need the director of ODSA's authorization at that time. In these types of CRAs, local jurisdictions do not have the flexibility to restrict the type of projects - residential, commercial, or industrial - eligible under the program, nor does it grant local jurisdictions the ability to grant an exemption of less than 100%. Pre-1994 Ohio CRAs can be amended only twice after July 1994 to retain operation under the old legislation—any additional amendments will invoke the Post-1994 CRA rules.

Post-1994 CRAs require the exemption percentage and term for commercial and industrial projects to be negotiated on a project-specific basis (residential percentages are set when the CRA is established). If the proposed real-property tax exemption is greater than 50%, it requires local school district approval unless the local legislative authority decides that at least 50% of the amount of the taxes "lost" by the school district will be made up by other taxes or payments available to the school district. As of July 2015, Ohio local governments have 818 active CRA areas in place. About 40% of these agreements are Pre-1994 agreements.
As detailed in the following chart, the tax-abatement term of an Ohio CRA varies depending upon the type of project involved:

Ohio CRA Property Tax Abatement Programs

Term Exemptions	Pre-July 1, 1994 CRA	Post-July, 1994 CRA
Residential Remodeling (2 units or less; mininum ($2500)	Up to 10 years as specified in the legislation that creates the CRA	Up to 15 years as specified in the legislation that creates the CRA
Residential Remodeling (2 units or less; mininum ($5000)	Up to 12 years as specified in the legislation that creates the CRA	Up to 15 years as specified in the legislation that creates the CRA
Resisential New Construction	Up to 15 years as specified in the legislation that creates the CRA	Up to 15 years as specified in the legislation that creates the CRA
Commercial and Industrial Remodeling (minimum $5000)	Up to 12 years as specified in the legislation that creates the CRA	Up to 15 years as negotiated and approved in the CRA Agreement
Commercial and Industrial New Construction	Up to 15 years as specified in the legislation that creates the CRA	Up to 15 years as negotiated and approved in the CRA Agreement

Enterprise Zone Program (EZ). The Ohio Enterprise Zone Program allows local governments to offer tax abatements on parcels of land as a tool to retain and attract companies to that location where a new investment is made. Both municipalities and county governments may create enterprise zones. Ohio enterprise zone tax abatements exempt a portion of the area from property taxes and are generally granted for the creation or expansion of companies as well as the renovation and occupation of existing business sites. By statute, these enterprise zone agreements cannot last for more than 15 years. Enterprise zones established by a municipality can exclude up to 75% of the assessed value of real property first used in business at the project site as a result of the agreement. The tax abatement can exceed 75% in any year (1) if the average percent exempted during all years the enterprise zone agreement with a particular company is in effect does not exceed 60% or (2) if the board of education of the school district where the enterprise zone is located approves the excess percentage. Enterprise zones established by counties can enter into agreements to exempt up to 60% of the assessed value of real property. The property can be abated for up to 15 years. The tax abatement can exceed 60% in any year if (1) the average percent exempted during all years the enterprise zone agreement with a particular company is in effect does not exceed 50% or (2) if the board of education of the school district where the enterprise zone is located approves the excess percentage. Remediation of an environmentally contaminated facility site may also trigger the enterprise zone tax exemption. Municipalities may enter into agreements to exempt from real property taxes 50% of the assessed value of the real property of the facility before remediation and 100% of the increased assessed value of the real property for up to 15 years. To receive this enterprise zone tax exemption, a company must (1) remediate an environmentally contaminated facility, (2) spend at least 250% of the true value in money of the real property of the facility before remediation to establish, expand, renovate, or occupy the remediated facility, and (3) hire new employees or preserve employment opportunities for existing employees at the remediated facility. Under certain circumstances, both municipalities and counties can enter into an agreement to grant a 100% real property tax exemption if an entity is purchasing and plans to operate a large manufacturing facility that has ceased operation or announced its intent to cease operations.

Ohio law permits two types of enterprise zones: limited and full authority. Limited authority enterprise zones, otherwise known as non-distress-based zones, do not need to be in economic distress but do need approval from the director of the ODSA for an Ohio business to move from an existing Ohio location into another enterprise zone and receive a tax abatement. Relocation waivers will be granted when issuance of a waiver is absolutely necessary to attract or retain employment opportunities in the State and the request also meets one of the following factors:

- The project site where operations will be discontinued cannot accommodate expansion plans;
- Market conditions dictate a relocation for the business to remain competitive, such as new or modified customer contracts, changes in production methods, loss or impending loss of an existing contract, changes in ownership or company control that result from a decision by owners or officers located outside of Ohio; or
- There is a consolidation of operations to a single facility (or such consolidation is imminent).

Full-authority enterprise zones, or distress-based zones, are located in areas of economic distress and do not need a relocation waiver from ODSA. Certification as a full-authority enterprise zone is based upon whether the parcels meet statutory requirements such as:

- having a population of at least 4,000 residents in counties with a population of more than 300,000 or a minimum population of 1,000 residents in all other Ohio counties,
- within a municipality or Appalachian region, having an average unemployment rate at least 125% of the state average,
- being in or near vacant commercial or industrial structures, decreasing population, and low-income areas or located within one or more adjacent city, local, or exempted village school districts, and
- the income-weighted tax capacity of each of which is less than 70% of the average of the income-weighted tax capacity of all city, local, or exempted village school districts in the state.

Any form of corporation may receive the benefit of an Ohio enterprise zone tax exemption and the company facilities eligible for the tax exemption include the land, building, machinery, equipment, and other materials. Certain events trigger the enterprise zone tax exemptions to commence, including company creation, expansion, or facility renovation and occupation. Facility expansion involves the addition of land, buildings, machinery, or equipment that equal 10% of the market value of the facility; renovations must equal at least 50% of the value of the facility, and occupations expenditures must include 20% or more of the market value of a vacant facility.

Ohio Transportation Improvement Districts. TID is a mechanism to raise revenue for repair of roads, highways, and bridges within a defined geographic area.[79] Districts are governed by a commission whose job is to oversee financing, construction, maintenance, and repair of highways and roads. To complete these tasks, districts must capture funding, which they do by imposing taxes, tolls, or other fees.[80] Revenue raised from these taxes or fees is returned to the city or county's transportation improvement fund.[81] The formation and regulation of TIDs occurs on the state and local government levels. In fact, at least two states (Ohio and Virginia) have legislation governing TIDs. In Ohio, TIDs are created by a board of county commissioners. The TID board consists of members appointed by the board of county commissioners, legislative authority of the most and second most populous municipal corporations in the district, the board of township trustees, the county engineer, and the legislative authority of any township or municipal corporation that cannot otherwise appoint a member and is within the geographic area covered by the district.[82] Each district is charged with financing, construction, maintenance, and repair of road and highway projects.[83] Ohio TIDs raise revenue for projects by levying special assessments and issuing bonds if it finds that the resulting improvement is beneficial to the general public.[84] If levying assessments, the district cannot exceed 10 percent of the assessable value of the lot or parcel of the land being assessed, and all proceeds raised by the TIDs shall be applied to road or highway projects.[85]

Ohio Residential Development. Economic development is not possible if a community does not have adequate workforce housing. Whether it is in rural markets struggling to retain population or growing mid-sized urban markets, housing supply in many regions of the United States and Ohio is simply not being met by surging demand. In fact, a recent study by the Central Ohio Business and Industry Association found that the growing Columbus region needs 14,000 new housing units annually, but the market is only developing 8,000 units. Adam Smith's law of supply and demand still works—a growing demand not met by a supply results in not only fewer purchasing options but drives up costs for those few housing units on the market.

Ohio offers a range of tax incentives and public finance tools to develop residential projects. These tools range from tax abatements to tax credits to sales tax exemptions to grants and loans to infrastructure funding. Ohio's CRA tax abatement program is the prime tool used to attract residential investment. As discussed above, Ohio law authorizes local governments to provide property tax abatements on new investments up to 100% through the Community Reinvestment Area (CRA) program that does not require local school board approval for districts created before 1994. The Ohio CRA program is an economic development tool administered by municipal and county governments that provides real property tax exemptions for property owners who renovate existing or construct new buildings. CRAs are areas of land in which property owners can receive tax incentives for investing in real property improvements. The program is delineated into two distinct categories, those created prior to July 1994 ("pre-1994") and those created after the law changes went into effect after July 1994. The Ohio CRA Program is a direct incentive tax exemption program benefiting property owners who renovate existing or construct new buildings. This program permits municipalities or counties to designate areas where investment has been discouraged as a CRA to encourage the revitalization of the existing housing stock and the development of new structures. Local municipalities or counties can determine the type of development to be supported by the CRA Program by specifying the eligibility of residential, commercial and/or industrial projects.

Ohio CRA Tax Abatement for Residential Development

Term Exemptions	Pre-July 1, 1994, CRA	Post-July 1, 1994, CRA
Residential Remodeling (2 units or less; minimum $2500)	Up to 10 years as specified in the legislation that creates the CRA	Up to 15 years as specified in the legislation that creates the CRA
Residential Remodeling (more than 2 units; minimum $5000)	Up to 12 years as specified in the legislation that creates the CRA	Up to 15 years as specified in the legislation that creates the CRA
Residential New Construction	Up to 15 years as specified in the legislation that creates the CRA	Up to 15 years as specified in the legislation that creates the CRA

Downtown Redevelopment Districts. Ohio's Downtown Redevelopment District Program permits the capture of up to 70% of the future property tax growth around 10 acres of a historic structure for public infrastructure, historic groups, building renovations, and innovation districts. Ohio's Downtown Redevelopment District (DRD) program is a critical tool for municipalities in Ohio to use for redeveloping important historic structures. Downtown Redevelopment Districts work like Tax Increment Financing in that they capture new growth in property taxes in a defined 10-acre district continuous to a certified historic structure. Unlike a TIF that is generally restricted to public infrastructure improvements, a DRD can be used to redevelop the historic building, encourage economic development in commercial, mixed-use and residential areas, build public infrastructure or fund local economic development groups associated with the projects. Within a DRD, the municipality may also designate an Innovation District that support business incubators and accelerators, growing high-tech companies in the community. DRD's must be created, implemented and administered by a municipality. The applicable city or village council of a municipal corporation may adopt an ordinance creating a Downtown Redevelopment District and declaring improvements to parcels within the district for a public purpose and thereby exempt from taxation. The ordinance must specify all the following:

- The boundary of the district, including specific permanent parcel numbers of each parcel within the district;
- Identification of the parcel(s) within the district that include an historic building that is, or will be rehabilitated; and
- The proposed life of the district.

Additionally, the applicant municipality must draft an Economic Development Plan for the district that includes all of the following: a statement describing the principal purposes and goals to be served by creating the district; an explanation of how the municipal corporation will collaborate with businesses and property owners within the district to develop strategies for achieving such purposes and goals; a plan for using the service payments provided for in the Ohio Revised Code to promote economic development and job creation within the district; If an Innovation District will be created within the DRD, strategies for achieving Innovation District goals must also be identified; provide required notices and public hearings in accordance with the Ohio Revised Code and the Ohio Development Services Agency. Once a DRD is created through a municipal ordinance, the municipality must: 1. file annual DRD status reports to the Ohio Development Services Agency, and 2. file an annual DTE 24 Form with the Ohio Department of Taxation.

The municipal corporation can exempt up to 70% of the increase in assessed value of the qualified parcels within the DRD for up to 10 years. In certain instances, the exemption may extend out to 30 years with the consent of the affected school district. The municipality may require owners receiving tax exemptions within the DRD to make PILOT payments (payments in lieu of taxes). These PILOT payments are then directed as financial resources back into the District to advance its Economic Development Plan objectives. DRD's can also choose to impose redevelopment charges on properties, which are imposed as a lien on the property and may be collected in the same manner as real property taxes by the County Auditor. Redevelopment charges are considered a covenant on the property and are transferrable and binding on future owners of the land. These redevelopment charges can be collected in a variety of manners including: as a fixed dollar amount; calculated on the basis of the assessed valuation of the property; or calculated on all or part of the profits, gross receipts or other revenues of a business operating on the property, including lease revenues.

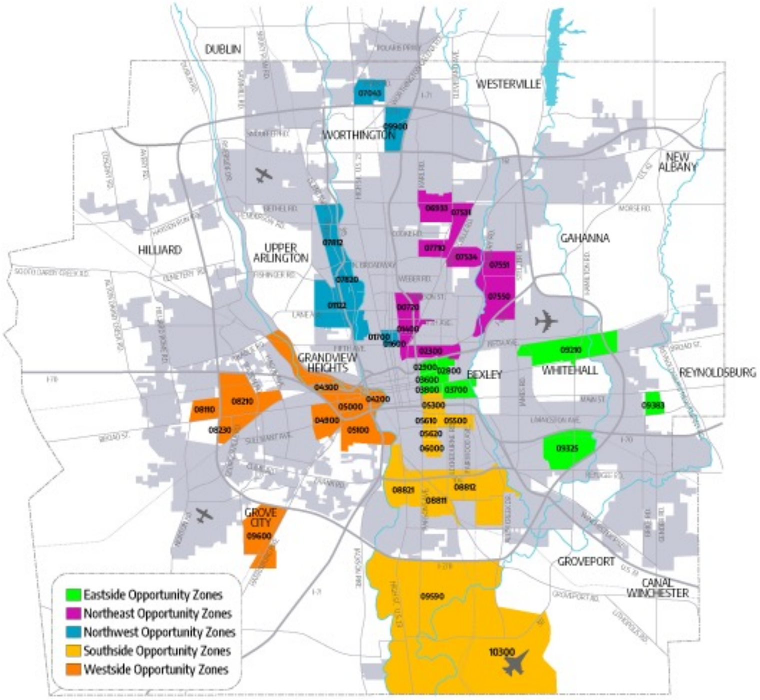
New Community Authority (NCA). A new community authority or "NCA" is a special unit of government authorized under Chapter 349 of the Ohio Revised Code. NCAs are to be created to encourage the orderly development of well-planned, diversified, and economically sound new communities by encouraging the initiative and participation of private enterprise in such undertakings; and encouraging cooperation between the developer and the community authority to carry out a new community development program. NCAs permit landowners to create a special assessment known as a Community Development Charge to finance and construct community facilities that include any kind of public improvement within the district and include facilities that are used in furtherance of community activities such as cultural, educational, governmental, recreational, residential, industrial, commercial, distribution and research activities.

Ohio Historic Preservation Tax Credits. The Ohio Department of Development awards twice annually Ohio Historic Tax Credits for designated historic properties (structures 50 years or older) that can provide direct building funding for historically consistent remodeling costs. State Historic Preservation Tax Credits are awarded twice annually. The Ohio Historic Preservation Tax Credit Program provides a state tax credit up to

25% of qualified rehabilitation expenditures incurred during a rehabilitation project, up to $5 million. The tax credit can be applied to applicable financial institutions, foreign and domestic insurance premiums, or individual income taxes. Projects certified on or before June 30, 2021, can apply for the tax credit against applicable commercial activity taxes. Projects certified after this date will not be able to apply the tax credit in that way. Owners and long-term lessees of historically designated buildings who undertake a rehabilitation project may apply for the Ohio Historic Preservation Tax Credit. A building must be individually listed on the National Register of Historic Places; contribute to a National Register Historic District, National Park Service Certified Historic District, or Certified Local Government historic district; or be listed as a local landmark by a Certified Local Government to be eligible. Properties that will be used as single-family residences or multi-family residential condominiums are not eligible. According to the Ohio Department of Development, with 28 rounds of funding complete, tax credits have been approved for 562 projects to rehabilitate over 795 historic buildings in 77 different Ohio communities. The program is projected to leverage more than $8.09 B in private development funding and federal tax credits directly through the rehabilitation projects.

Ohio New Markets Tax Credit Program. The Ohio New Markets Tax Credit program provides an incentive for investors to fund businesses in low-income communities in federal government-certified New Markets Tax Credit census tracts. The Ohio New Markets Tax Credit Program awards tax credit allocation authority to Community Development Entities (CDE) serving Ohio that serves as an intermediary between investors and projects.[86] The investor provides cash to a CDE in exchange for the tax credit (39 percent of their investment claimed over seven years). The CDE uses the cash for projects in low-income communities.[87] Ohio offers $10 million in tax credit allocation authority is available to CDEs each year.[88] Tax credit allocation authority is awarded to CDEs, who sell the credit to investors and use that money for high-impact projects. The tax credit can be applied to applicable financial institutions and foreign and domestic insurance premiums.[89] Applications are received annually for the Ohio New Markets Tax Credit. Qualified CDEs with available (or anticipated) federal NMTC allocation can file a competitive application with the Ohio Department of Development.[90] Ohio NMTC awards are announced after the annual federal NMTC award announcements to coincide with the allocations.[91]

Ohio Opportunity Zone Tax Credit. The Ohio Opportunity Zone Tax Credit Program provides an incentive for Taxpayers to invest in projects in economically distressed areas known as "Ohio Opportunity Zones". These Ohio Opportunity Zones are qualified opportunity zones in this state designated by the Federal Statute 26 U.S.C. 1400Z-1.[92] The Taxpayer invests cash in the Ohio Qualified Opportunity Fund ("Ohio QOF"), which in turn must invest that money in a Qualified Opportunity Zone property in Ohio.[93] Once the money is invested in the Qualified Opportunity Zone property ("QOZ Property"), the Taxpayer is eligible for a non-refundable tax credit equal to 10% of the number of its funds invested by the Ohio QOF in the QOZ Property, and the Taxpayer may invest in multiple Ohio QOFs and may receive tax credits totaling up to $2 million dollars during the 2022-2023 biennium period.[94] The Ohio Opportunity Zone Tax Credit is applied to the individual income tax, as outlined in the Ohio Revised Code Section 5747.02, and the tax credit may be claimed for the Taxpayer's qualifying taxable year or the next consecutive taxable year.[95] For the 2022-2023 biennium, a total of $50 million in tax credit allocation is available, and taxpayers that have invested in an Ohio QOF must apply directly to the Ohio Department of Development ("Development") for the tax credit during the established application period, occurring annually in January2.[96]



Ohio Transformational Mixed-Use District (TMUD). $100 M in premium insurance tax credits is available for large-scale mixed-use developments in major and non-major cities over the next four years awarded by the Ohio Department of Development. A project within a major city (100,000 or more in population) is eligible for a TMUD tax credit if it exceeds $50 million, includes the renovation, rehabilitation, or construction of at least one new or previously vacant building; is 15 stories in height, or is at least 350,000 sq. ft., or is a project which creates $4 million in annual payroll. A project not within a major city (100,000 or more in population) is eligible for TMUD tax credits if the project includes at least one new or previously vacant building that is two or more stories in height, or is at least 75,000 sq. ft.

Ohio Sales Tax Exemption. Ohio port authorities are permitted to offer a sales tax exemption on construction materials used for economic development projects. An Ohio port authority such as the Columbus-Franklin County Finance Authority issues taxable bonds to finance the project, they hold the title to the building and enters into a long-term lease with the client (typically five years), the bonds may be purchased by the client's bank or a related entity of the client itself, the port authority could place the bonds in the capital markets, at the end of the lease term, the building's title would be transferred to the client for a nominal amount, and the client would be viewed as the building's owner for federal tax purposes and therefore would be able to take depreciation on the building.

Tax Increment Financing. Ohio's Tax Increment Financing (TIF) Program funds public infrastructure through the capture of future property tax growth of a defined district or site that can be a tool for residential development. As discussed above, an Ohio local political jurisdiction may exempt from real property taxes the value of private improvements up to 75 percent for a term of up to 10 years for a General Purpose TIF. Local governmental bodies seeking to offer greater amounts of assistance under the TIF must first obtain the concurrence of the affected local board(s) of education. With the concurrence of its school board(s), a local political jurisdiction may exempt the value of improvements up to 100 percent for a term of up to 30 years. Funding for a General Purpose TIF can be used for "public infrastructure improvement" that includes, but is not limited to, public roads and highways; water and sewer lines; the continued maintenance of those public roads and highways and water and sewer lines; environmental remediation; land acquisition, including acquisition in aid of industry, commerce, distribution, or research; demolition, including demolition on private property when determined to be necessary for economic development purposes; stormwater and flood remediation projects, including such projects on private property when determined to be necessary for public health, safety, and welfare; the provision of gas, electric, and communications service facilities, including the provision of gas or electric service facilities owned by nongovernmental entities when such improvements are determined to be necessary for economic development purposes; the enhancement of public waterways through improvements that allow for greater public access; and off-street parking facilities, including those in which all or a portion of the parking spaces are reserved for specific uses when determined to be necessary for economic development purposes. An Incentive District TIF is defined as (a) an aggregation of individual parcels of real property comprising an area no larger than 300 contiguous acres and (b) exhibits one or more characteristics of economic distress. Local governments may authorize Incentive District TIFs to fund a number of public infrastructure needs including public roads and highways, water and sewer lines, remediation, land acquisition, demolition, the provision of gas, electric, and communications service facilities, and the enhancement of public waterways (note: public infrastructure does not include police or fire equipment for Incentive Districts TIFs created after March 30, 2006, and no Incentive District TIF service payments collected in such Districts may be used for such purposes). Along with public infrastructure improvements previously noted, Service Payments generated from private improvements in an Incentive District TIF may be used to fund residential housing renovation projects if the TIF includes a public infrastructure component.

Special Improvement Districts. Ohio's Special Improvement Districts (SID) permit property owners in a defined area through a majority vote to create a special assessment to fund area public infrastructure improvements and provide services. A SID is established when owners representing 60% of the front footage or 75% of the land area of the district sign a formal petition to establish it. Services must be for the public good and may include maintenance, physical improvements, cleaning, and additional safety among a variety of activities. The services are chosen by the property owners themselves, through a Board of Directors, and cannot replace city services.

Ohio Prohibition Against Local Government Rent Control. In response to a ballot initiative proposed in the City of Columbus, the Ohio General Assembly recently enacted state legislation to provide a statewide prohibition against local rent control ordinances and regulations. The General Assembly amended Ohio's landlord and tenants law applying to all local government political subdivisions—townships, cities and counties to prohibit rent control or rent stabilization ordinances and regulations adopted by political subdivisions unless the property is owned by the political subdivision, or such regulating is related to voluntary agreements or incentives to increase or maintain the supply or improve the quality of available residential premises to promote affordable housing provided under LIHTC or similar programs or where, in return for granting some type of tax abatement or credit, the city requires, and the owner agrees, to limit rents. The new law defines "Rent control" as "requiring below-market rents for residential premises or controlling rental rates for residential premises in any manner;" "rent stabilization" is defined as "allowing rent increases for residential premises of a fixed amount or on a fixed schedule as set by a political subdivision."

Several Ohio communities use economic development incentives to foster private residential development. These markets include urban, rural and suburban communities that may be focused on urban infill, development of town centers and large-scale multi-family and single-family homes.

Dublin, Ohio is a major Central Ohio suburb home to Jack Nicklaus' Muirfield Village Golf Club and home to Cardinal Health and several other large corporate headquarters. Bridge Park is Dublin's newest urban, walkable neighborhood complementing Dublin's vibrant Historic Downtown. Spanning 30 acres along the Scioto River, Bridge Park builds upon Dublin's rich history of iconic developments and will usher in a new era as a social, commercial and experiential destination. Integrating retail and residential uses within a walkable and inviting neighborhood, Bridge Park will feature condominium homes and apartments, boutique grocery store, retail, office and a hotel and conference center developed in multiple phases over the next few years. The project also will include 3,165 parking spaces – on-street and structured parking garages. CRAs, TIFs, NCAs and other economic development tools were at the centerpiece of developing Bridge Park that included the development of multiple public parking garages and a bridge spanning the Scioto River linking Bridge Park to Historic Dublin.

Marysville, Ohio is the county seat of Union County just northeast of Columbus and closely connected to a number of Honda automobile manufacturing facilities and substantial suburban growth. In 2002, the

Marysville City Council approved the continuance of a CRA in the Uptown District and its surrounding residential areas in Downtown Marysville.[97] The main purpose of the CRA is to encourage development, redevelopment, and revitalization in the older areas of Marysville to improve economic stability, maintain real property values, and create new employment opportunities.[98] The CRA program's main mechanism is the use of tax incentives granted to property owners for real property improvements to their buildings which meet the goals, objectives and requirements listed below.[99] The abatement reduces the increase of property taxes that occur as a result of the completion of renovations or new construction.[100] It does not reduce existing property taxes.[101] Eligible real property improvements include building and structural modifications such as a new addition, new windows, new façade, new storefront, new awnings and major structural repair.[102] Residential (no more than two units in building), commercial, and/or industrial property owners in the CRA designated zone (refer to CRA Boundary Map) who plan to make structural improvements meeting the CRA requirements may qualify.[103] Uptown area commercial buildings with residential units on the upper levels will be considered as commercial buildings.[104] Qualifying residential properties may receive a 75%, seven (7) year real property tax abatement for new improvements for which the cost of remodeling is at least $7,500.[105] These residential buildings cannot have more than two residential units, need to be owner-occupied, and not have commercial on the first floor. The review and approval of the Marysville Housing Officer is required.[106] The City shall consider the following when reviewing each application:

- Residential building is less than two units and is owner-occupied;
- Use of building shall meet zoning and building regulations;
- Shall encourage private investment that will repair, construct, or improve a building; and
- Commercial and industrial projects that create new employment, restore historical significance or promote the revitalization of the Uptown area are preferred.[107]

London, Ohio offers another rural model focused on residential development. London sits as the County seat to Madison County located west of urban Franklin County. Madison County is home to a substantial logistics industry in West Jefferson, Ohio. London created a certified CRA zone focused on promoting residential development. London built a Public-Private-Partnership with the local school district that established if a new developer comes in that wants to build homes, a 100% abatement would be available for up to 3 years or upon the sale of the property to a homeowner. This was created to encourage housing development and minimize risks for developers and home builders. While not every development has received or will receive incentives, since the CRA was put into place, 60 future homes were announced in London by Arbor Homes (could be up to 15 over multiple phases) and approximately 230 homes were recently announced by Pulte for the City of London.[108]

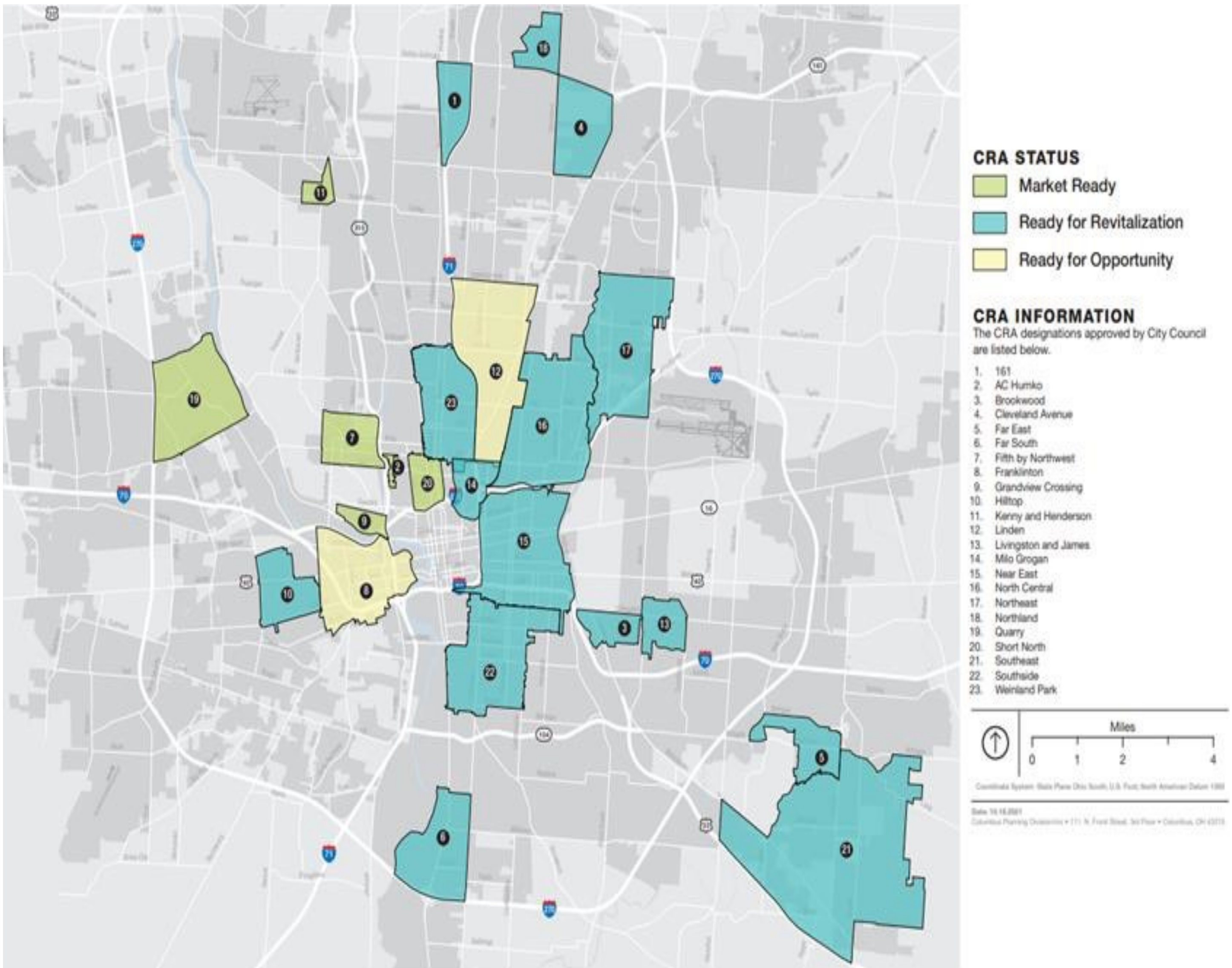
The city of Columbus offers discretionary real property tax abatements to incentivize residential developments in targeted communities. As permitted by state law, Columbus offers a 100% real property tax abatement on the growth in property tax for 100% of the tax for 15 years in areas recognized as a Pre-1994 CRA.[109] It is critical to note that real property tax abatements operate in these areas as a matter of legal right and do not require action by Columbus City Council. These real property tax abatements are provided through an administrative process with the Columbus Development Department that does not require even an economic development agreement. However, other economic development incentives residential projects may be seeking such as public infrastructure or parking investments through TIFs or NCAs or construction materials sales tax exemptions may require action by Columbus City Council and the Columbus Development Department or the Columbus-Franklin County Finance Authority; thus, potentially creative leverage on developers for the creation of a public-private-partnership for the projects. These areas are outlined on the map below. It is worthy of note that all of Downtown Columbus is located in a 1994 Pre-CRA district as are several other areas such as the Southside of Columbus that are primed for residential development.

Recently, the City of Columbus has updated its requirements for post-1994 CRA tax exemptions for developers granted permits after September 1, 2023.[110] Adopted in 2018, the Columbus CRA residential abatement policy is a tool the city can use to encourage developers to create space for everyone in Columbus' neighborhoods, and the 2018 policy designates specific geographies within the city as reinvestment areas, based on six distress criteria (population growth, median household income growth, poverty rate, growth in median rent, housing vacancy rate, mortgage foreclosure rate):

- Market Ready areas meet 1-2 distress criteria;
- Ready for Revitalization areas meet 2-4 distress criteria; and
- Ready for Opportunity areas meet 5-6 distress criteria.[111]

Within these areas, housing developers are eligible for tax abatement if they set aside a percentage of a development's units for residents that meet certain income criteria.[112] The U.S. Department of Housing and Urban Development (HUD) defines and calculates Area Median Income (AMI) for every region of the country, and at 100% AMI, half of the families earn more than the median, and half earn less than the median.[113] The CRA policy creates affordable units in Columbus by offering tax abatements to developers that set aside a certain number of housing units for individuals who earn the median income or less.[114] Income-qualified tenants are not charged market-rate rent, but rather, a rent that is aligned with their ability to pay without being rent burdened.[115] At 100% of AMI it is estimated that an individual earning $57,800 could afford rent and utilities of $1445, 80% of AMI provides an affordable rent of $1174 for an individual earning $46,960, and a rent of $880 for an individual earning $35,220.[116]

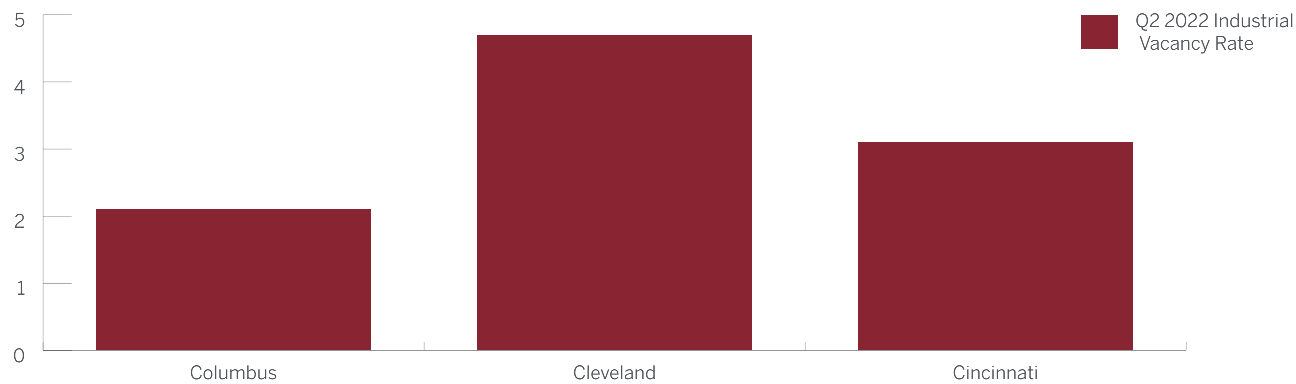
Columbus Post 1994 CRA Housing Incentive Map



The Columbus Development Department conducted a review of its 2018 CRA residential tax abatement program and has identified opportunities to ask developers to expand the affordability captured for the value of the abatement. Based on an independent analysis of 2021 market conditions, the new Columbus policy asks developers to go deeper or wider in creating affordability, in order to earn an abatement.[117] The policy set in 2018 asked developers to set aside 10% of units for residents earning 80% AMI and 10% for residents earning 100% AMI in order to earn an abatement.[118] Under the proposed policy, developers could choose to go deeper in creating affordability by setting aside 10% of units for residents earning 60% AMI and 10% for residents earning 80% AMI, or, go wider in creating affordability by setting aside 30% of units for residents earning 80% AMI.[119] As required by the current policy, developers earning these incentives would be required to report to the city annually to ensure compliance with the policy. Developers that fail to stay in compliance with the policy for the full 15 years are subject to fines and the property may be placed back into taxable status.[120] This policy change was made in an effort to ensure the development of more affordable housing units.[121] Columbus has also raised the cost to buy out units by 300%. After these changes take effect, developers seeking a CRA tax exemption in market-ready areas could pay a one-time fee of $32,000 per affordable unit; $16,000 per unit in ready-for-revitalization areas; and $5,000 per unit in ready-for-opportunity areas.

Ohio Logistics Industry. The logistics and fulfillment center industry will continue to drive massive industrial sector growth in 2022 and 2023. According to a recent JLL report the national industrial vacancy rate continues headed down, for the seventh consecutive quarter, remaining at 3.4%, its lowest level on record, with port markets like Savannah, Inland Empire, Los Angeles, New Jersey, and Orange County all seeing vacancies below 2%, also a new low.[122] The demand for industrial space in the United States remains strong and more product is clearly needed. Industrial real estate growth remains strong in the major urban centers of Ohio.

Ohio Major Markets Q2 2022 Industrial Vacancy Rate

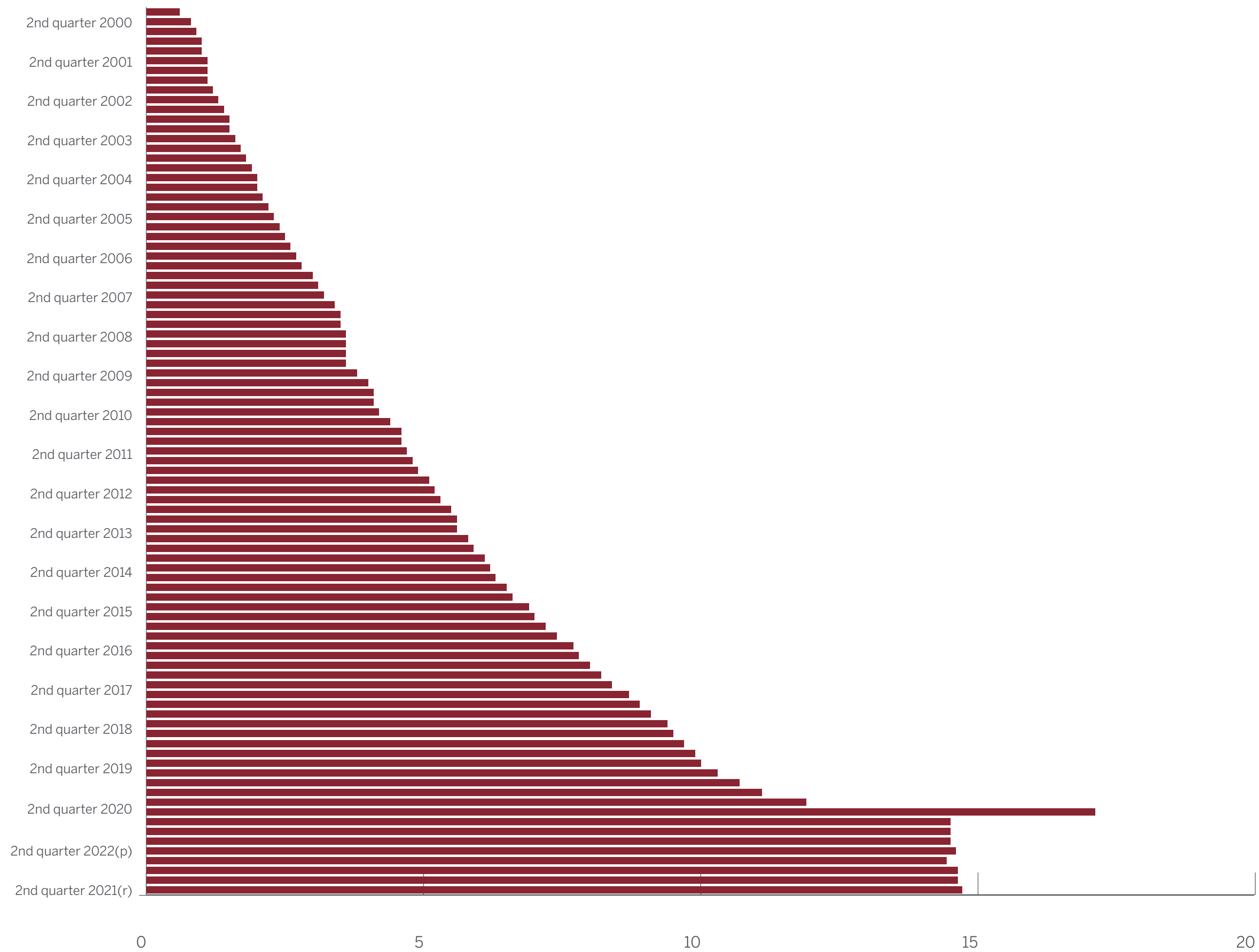


Source: CBRE

In fact, CBRE reports that the Columbus industrial market has more than 14 M square feet under construction with just 13.7% of this space pre-leased leaving 11.4 M in speculative space to be delivered in 2022.

According to Research and Markets, "the global logistics market was worth 10.32 B USD in 2017 and it is estimated to grow to 12.68 B USD by 2023 with a CAGR (compound annual growth rate) of 3.49% between 2017 and 2023" driven by e-commerce us that has tripled over nine years to $214 B in retail sales in 2021 according to the Census Bureau.[123] Global ecommerce sales are expected to total $5.5 trillion worldwide in 2022.[124] It is further estimated that of the total global retail sales in 2022, 20.3 percent is expected to come from online purchases-- more than $0.22 of every $1 spent on retail goods this year will be done over the internet.[125] Online sales are expected to continue rising and take a larger piece of the retail pie. By 2025, it's estimated that world retail ecommerce sales will exceed $7.3T and the overall ecommerce share of retail sales will hit 23.6 percent.[126] Looking at the U.S. market, the Census Bureau of the Department of Commerce recently announced that the estimate of U.S. retail e-commerce sales for the second quarter of 2022, adjusted for seasonal variation, but not for price changes, was $257.3 B, an increase of 2.7 percent (± 0.7%) from the first quarter of 2022.[127] As the time adjusted Census Bureau data illustrates, e-commerce is gaining a larger and larger share of the retail market—serving as the prime driver for logistics and fulfillment center growth across the United States are retailers continue efforts to respond to customer demand for the home delivery of goods.

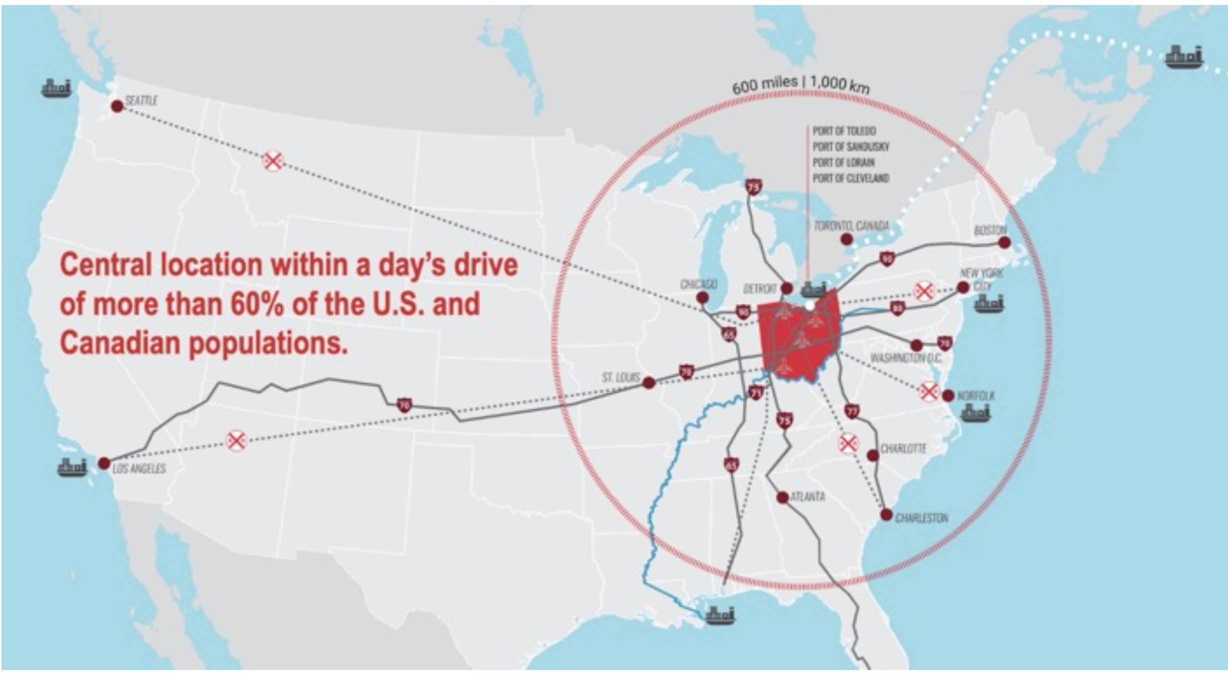
E-Commerce as a percent of retail sales



Source: U.S. Census Bureau

Logistics and fulfillment center economic development incentive projects will grow but where they will go. Major port cites on the East and West Coast remain global logistics hubs based upon their ports that handle large scale cargo ships. However, other regions across the United States are central to the distribution of goods whether manufacturer in global or domestic location. The reality is regions within a one day truck driver, generally regarded as 500 to 600 miles of a large population base with strong infrastructure, a logistics workforce with competitive wages and a competitive cost of doing business are in line to grow logistics, distribution and fulfillment center jobs.

Ohio is clearly a leader in the logistics industry. Ohio operates ten foreign trade zones located across the state offer reduced or nonexistent customs fees as well as relief from inverted tariffs and duty exemption on re-exports. The four largest delivery companies in the U.S. (UPS, DHL, FedEx and the U.S. Postal Service) provide more outbound parcel services from Ohio than from any other state in the Midwest. Ohio's education institutions offer nationally recognized programs in supply chain and logistics management. From 2010 to 2019, there was a 73% increase in the number of degrees granted annually for supply chain management, resulting in a large, well-trained logistics and distribution workforce in Ohio. Ohio is connected to the rest of the world via land, air, and water, creating a comprehensive and complete infrastructure for shipping worldwide, which is why logistics and distribution is one of our key industries. The flexibility of choice and cost savings this offers companies are among the top reasons Ohio's infrastructure is one of the best in the U.S. Ohio has the fourth largest interstate highway system in the nation, with nearly 7,000 lane miles on eight major routes, and the system has the fifth-highest average daily vehicle miles traveled. Ohio has 10 major rail yards and 13 intermodal terminals, the second highest number in the U.S., and has the fourth largest network of operating railroads in the nation. The state's 5,388 miles of active freight rail is No. 3 in the U.S., and Ohio has four Class 1 rail-based suppliers: CSX, Norfolk Southern, Canadian Pacific, and Canadian National. Ohio has nine commercial ports on Lake Erie and multiple terminals along the Ohio River. It is the only Midwest state with a direct shipping route to Europe from the Port of Cleveland for both container and heavy goods, reducing time to market by five days or more. The Port of Toledo in Northwest Ohio is one of the largest ports in the Great Lakes. Ohio has 736 miles of navigable waterways leading to the Gulf of Mexico and the St. Lawrence Seaway. Ohio has seven commercial air carrier airports and 97 general aviation airports. Rickenbacker International Airport and Wilmington Air Park offer cargo-focused hubs. Rickenbacker has regular service to Hong Kong, Dubai, Luxembourg, and other cities around the globe. The Wilmington Air Park is the highest volume cargo airport in Ohio and serves as a hub for AmazonAir. Collectively, the airports in Cincinnati, Columbus, and Cleveland service 68 daily non-stop flights to New York City. Most importantly, Ohio is within a day's drive of more than 60% of the U.S. and Canadian population

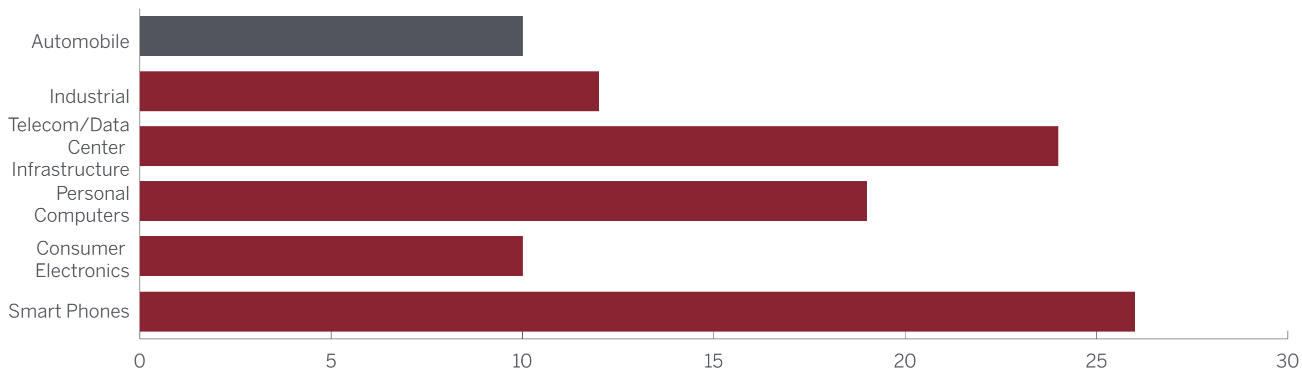


Central Ohio offers an amazing case study for industrial development tied to the logistics and fulfillment industry. Central Ohio, with Ohio's largest city Columbus, at its core, developed a logistics initiative that started with the reuse of a former Air Force base, tied in rail transportation infrastructure built with federal budget earmark funding, and created a logistics industry that provides 72,000 jobs in the region built around three hubs in rural counties just outside of Ohio's largest city that is home to nearly 1 M people. The Columbus logistics industry was created based upon a Public-Private-Partnership that provides a 100% 15-year property tax abatement of industrial or logistics companies that often includes the use of Tax Increment Financing and Joint Economic Development District and state of Ohio funding for infrastructure development as well as negotiating compensation agreements with local governments and school districts to provide funding through Payments in Lieu of Taxes from the developers to assume companies as well as communities win when jobs are created.

Ohio Semiconductor Industry. COVID 19 has illustrated the challenges created by a global supply chain for thousands of American companies- in particular the U.S. auto industry. A supply chain is a network between a company and its suppliers to produce and distribute a specific product to the final buyer. This network includes different activities, people, entities, information, and resources. The supply chain also represents the steps it takes to get the product or service from its original state to the customer. Companies develop supply chains so they can reduce their costs and remain competitive in the business landscape. COVID-19 continues to impact automotive suppliers.[128] IHS Markit recently further reduced its global light vehicle production forecasts down to 75.8 million units in 2021, and 82.6 million units in 2022 – a downward adjustment of 6.2% and 9.3%, respectively – due to increased pessimism regarding the situation in Malaysia, which accounts for 13% of the global supply of semiconductors.[129]

Computer microprocessing chips are tiny transistors made from silicon, which is found in most of the minerals on the earth's surface that allows cars, computers, smart phones, appliances and other electrical devices to function.[130] It is estimated the computer chip market is worth $500 B and they underpin a global tech economy worth an estimated $3 trillion. Most computer chips are made in Asia with some produced in the United States.[131]The microchip manufacturing process involves hundreds of steps and can take up to four months from design to mass production.[132] In the cleanrooms of the chipmakers' fabrication facilities, air quality and temperature are kept tightly controlled as robots transport their precious wafers from machine to machine.[133] Integrated device manufacturers such as Intel and Samsung both design and manufacture chips.[134] Foundries, on the other hand, are companies that manufacture chips under contract for other companies. TSMC, GLOBALFOUNDRIES and UMC are examples of this type of chipmaker, and, a third type of chipmaker, the 'fabless semiconductor company' such as Qualcomm, Nvidia and AMD, avoid the high costs of building and maintaining production facilities by focusing only on chip design and likely farm out their production to a foundry.[135]

Global Semiconductor Sales by Product



Source: Semiconductor Industry Association

As the table above illustrates, the semiconductor industry is spread to a wide range of products that consumers use everyday.

Ohio has jumped into the semiconductor industry with both feet with a January, 2022 announcement of a Intel facility locating in Central Ohio. Intel today announced plans for an initial investment of more than $20 billion in the construction of two new leading-edge chip factories in Ohio. The investment will help boost production to meet the surging demand for advanced semiconductors, powering a new generation of innovative products from Intel and serving the needs of foundry customers as part of the company's IDM 2.0 strategy. To support the development of the new site, Intel pledged an additional $100 million toward partnerships with educational institutions to build a pipeline of talent and bolster research programs in the region. As the largest single private-sector investment in Ohio history, the initial phase of the Intel project is expected to create 3,000 Intel jobs and 7,000 construction jobs over the course of the build, and to support tens of thousands of additional local long-term jobs across a broad ecosystem of suppliers and partners. Spanning nearly 1,000 acres in Licking County, just outside of Columbus, the "mega-site" can accommodate a total of eight chip factories – also known as "fabs" – as well as support operations and ecosystem partners. At full buildout, the total investment in the site could grow to as much as $100 billion over the next decade, making it one of the largest semiconductor manufacturing sites in the world.

Locating a new semiconductor facility is a massive venture. According to the Semiconductor Industry Association, the aggregated annual capital expenditure of the top 5 foundries between 2015 and 2019 amounted to approximately $75 billion, or an average of $3 billion per firm per year, equivalent to more than 35% of their annual revenues.[136] Research and development is a critical aspect of this industry and the top 5 fabless firms invested $68 billion in R&D in the 5 years between 2015 and 2019, or an average of $2.8 billion per firm per year, equivalent to 22% of their revenues.[137] The United States retains a significant advantage in semiconductor R&D but the manufacturing process is truly global with Asia leading the way in manufacturing.

Driven by COVID 19 based demand for smart phones and other electronic devices and challenges with production and overseas transportation, computer chips are not being supplied in the quantities needed for key industries—the automotive industry in particular. GM CEO Mary Barra has said the shortage could cost GM up to $2 billion in lost earnings this year.[138] The semiconductor chip shortage is now expected to cost the global automotive industry $210 billion in revenue in 2021, according to consulting firm AlixPartners.[139]

Computer semiconductor chip manufacturing facilities are likely to locate in the United States as a result of the automobile industry's chip supply chain challenges. Ford announced a collaboration that could give the company more control over both the supply and the design of its chips as Ford signed a nonbinding agreement with the U.S.-based semiconductor supplier GlobalFoundries to collaborate on developing chips for Ford vehicles, and that the companies would explore expanding domestic chip production.[140] GM is working with seven chip suppliers on three new families of microcontrollers that will reduce the number of unique chips by 95% on future vehicles that includes: Qualcomm; STM; TSMC; Renesas; NXP; Infineon; and ON Semi.[141]

New microprocessor chip manufacturing projects are already being announced across the United States. Taiwan Semiconductor Manufacturing Co., the world's biggest contract silicon chip maker, announced a $12 B manufacturing center that could create 1,600 jobs and produce 20,000 wafers monthly in the Phoenix market starting production in 2024.[142] North Carolina-based CREE Inc. announced a billion-dollar factory near the New York community of Utica, and silicon carbide wafers could start moving off the line in early 2022 employing more than 600 workers and the project gained a $500M state incentive package if performance metrics are met.[143] South Korea-based SK Group subsidiary company, SKC, and several business partners announced plans to invest more than $473 million to manufacture glass-based substrates for semiconductor chips in Covington, Georgia and to create more than 400 new jobs in Newton County.[144] Semiconductor designer and manufacturer Texas Instruments announced plans to locate their next 300-mm fabs fabrication plant in Sherman, Texas with the option to include up to four fabs that could create as many as 3,000 jobs with $30 billion invested over the coming decades.[145]

What does it take to land these billion-dollar semiconductor chip facilities?

- A site with minimal risk of natural disasters such as earthquakes, hurricanes or floods as the semiconductor fabrication process requires not just a perfectly clean site but a facility that has little chance of mother nature harming its efforts;
- A site with access to substantial amounts of water;
- A skilled workforce in science and technology;
- A major, local research and development partner; and
- A massive economic development incentive package.

Large scale projects like a semiconductor chip facility are likely going to eligible for millions of dollars in economic development incentives. Ohio's new Megaproject economic development incentive program would be one of them. Before a business may qualify for any of enhanced Megaproject incentives, it must either operate a "megaproject" or sell tangible personal property to one. A Megaproject is a development project that satisfies all of the following conditions:

1. *Wages.* The operator must compensate the project's employees at 300% of the federal minimum wage or more with a federal minimum wage is currently $7.25 per hour for nonexempt employees this income threshold would equal $21.75 per hour and this wage threshold is calculated exclusive of employee benefits and must be met at the time the project is approved for an Ohio Jobs Creation Tax Credit (JCTC).
2. *Capital Investment and Payroll.* The operator must either make at least $1 billion in fixed-asset investments in the project or create at the project at least $75 million in annual Ohio employee payroll, i.e., payroll subject to Ohio income tax. If the project qualifies on the basis of Ohio employee payroll, the operator must maintain at least $75 million in annual payroll at the project throughout the term of the JCTC.
3. *Sites and Workforce.* The project requires "unique sites, extremely robust utility service, and a technically skilled workforce."

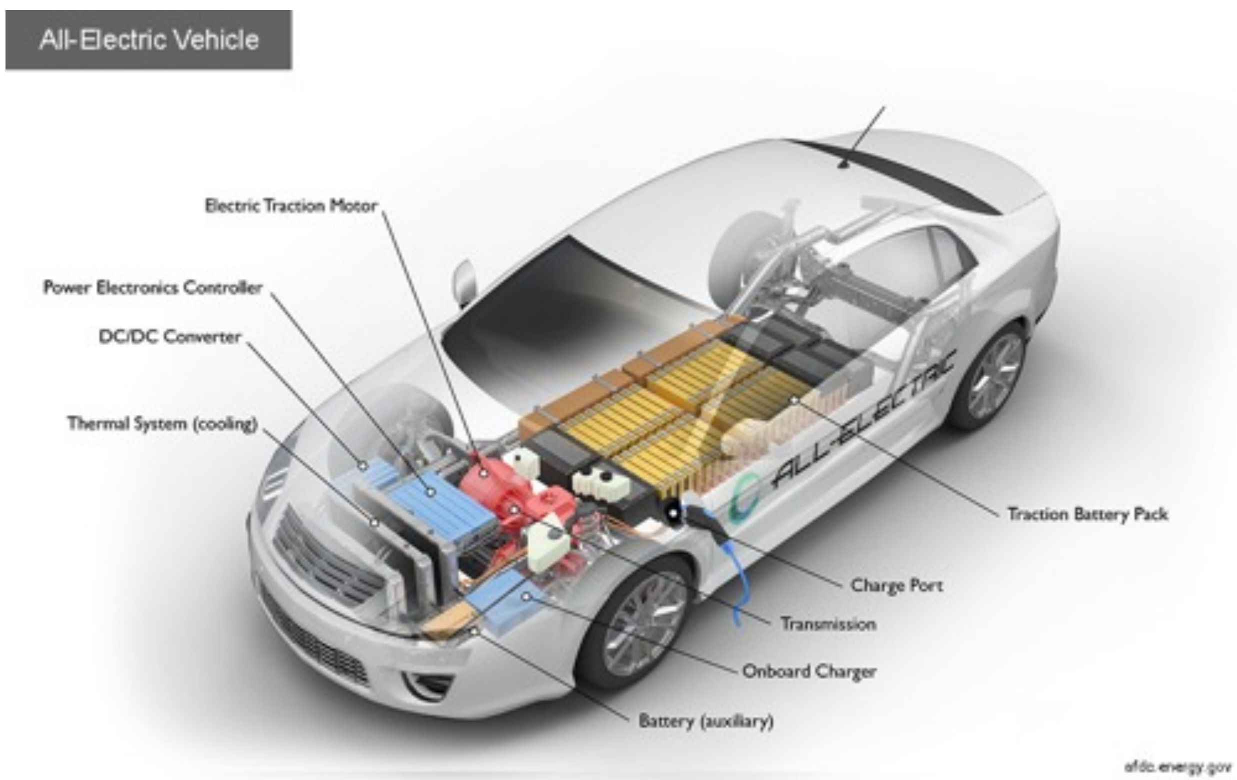
In addition to the megaproject's operator, certain suppliers of a megaproject are eligible for the bill's incentives. Specifically, any business that sells tangible personal property may qualify for the incentives if it satisfies both of the following requirements: the business makes at least $100 million in fixed-asset investments in Ohio;

and the business creates at least $10 million in annual Ohio employee payroll and maintains that level of payroll throughout the term of the JCTC. The Ohio Megaproject Incentive permits the state for qualifying companies and certain of their suppliers to gain an Ohio Job Creation Tax Credit for 30 years over the regular 15 year term, authorizes a megaproject supplier's JCTC to be wholly or partially allocated to the megaproject's operator, authorizes a megaproject supplier, in calculating its commercial activity tax, to exclude its gross receipts from sales to a megaproject operator, and authorizes local governments to grant a 30-year Community Reinvestment Area or Enterprise Zone property tax exemption to a megaproject or property owned by a megaproject supplier.

Local, state and federal leaders are focusing funding and economic development incentives on the back shoring of chip making—the U.S. has dropped dramatically over the last several decades in chip production. 2022 can expect to be a positive year for the location of microprocessor chips on American shores.

Electric Vehicle Industry. Nickolas Otto in 1876 invented the four-stroke internal combustion engine in which in which combustion occurs (aka burning) inside the engine rather than in a separate furnace generating motive power by the burning of fuels such as petrol and oil.[146] Considering the fact that the $3.6 T global automobile industry[147] for the most part still runs on oil in an internal combustion engine, Otto's invention has had a pretty good run. Signs are that run is going to slow substantially and the global automobile industry is going to undergo a major transformation as the manufacture and sales of electric vehicles (EV) is on the rise.

All-EVs have an electric motor instead of an internal combustion engine.[148] The vehicle uses a large traction battery pack to power the electric motor and must be plugged in to a wall outlet or charging equipment.[149] Because it runs on electricity, the vehicle emits no exhaust from a tailpipe and does not contain the typical liquid fuel components, such as a fuel pump, fuel line, or fuel tank.[150]



Source: U.S. Department of Energy

In an electric drive vehicle, the auxiliary battery provides electricity to power vehicle accessories, and the charge port allows the vehicle to connect to an external power supply in order to charge the traction battery pack.[151] This device converts higher-voltage DC power from the traction battery pack to the lower-voltage DC power needed to run vehicle accessories and recharge the auxiliary battery.[152] Using power from the traction battery pack, this motor drives the vehicle's wheels.[153] Some vehicles use motor generators that perform both the drive and regeneration functions and take the incoming AC electricity supplied via the charge port and converts it to DC power for charging the traction battery that communicates with the charging equipment and monitors battery characteristics such as voltage, current, temperature, and state of charge while charging the pack.[154] The power electronics controller manages the flow of electrical energy delivered by the traction battery, controlling the speed of the electric traction motor and the torque it produces, and the thermal system maintains a proper operating temperature range of the engine, electric motor, power electronics, and other components.[155] The traction battery pack stores electricity for use by the electric traction motor, and electric transmission transfers mechanical power from the electric traction motor to drive the wheels.[156]

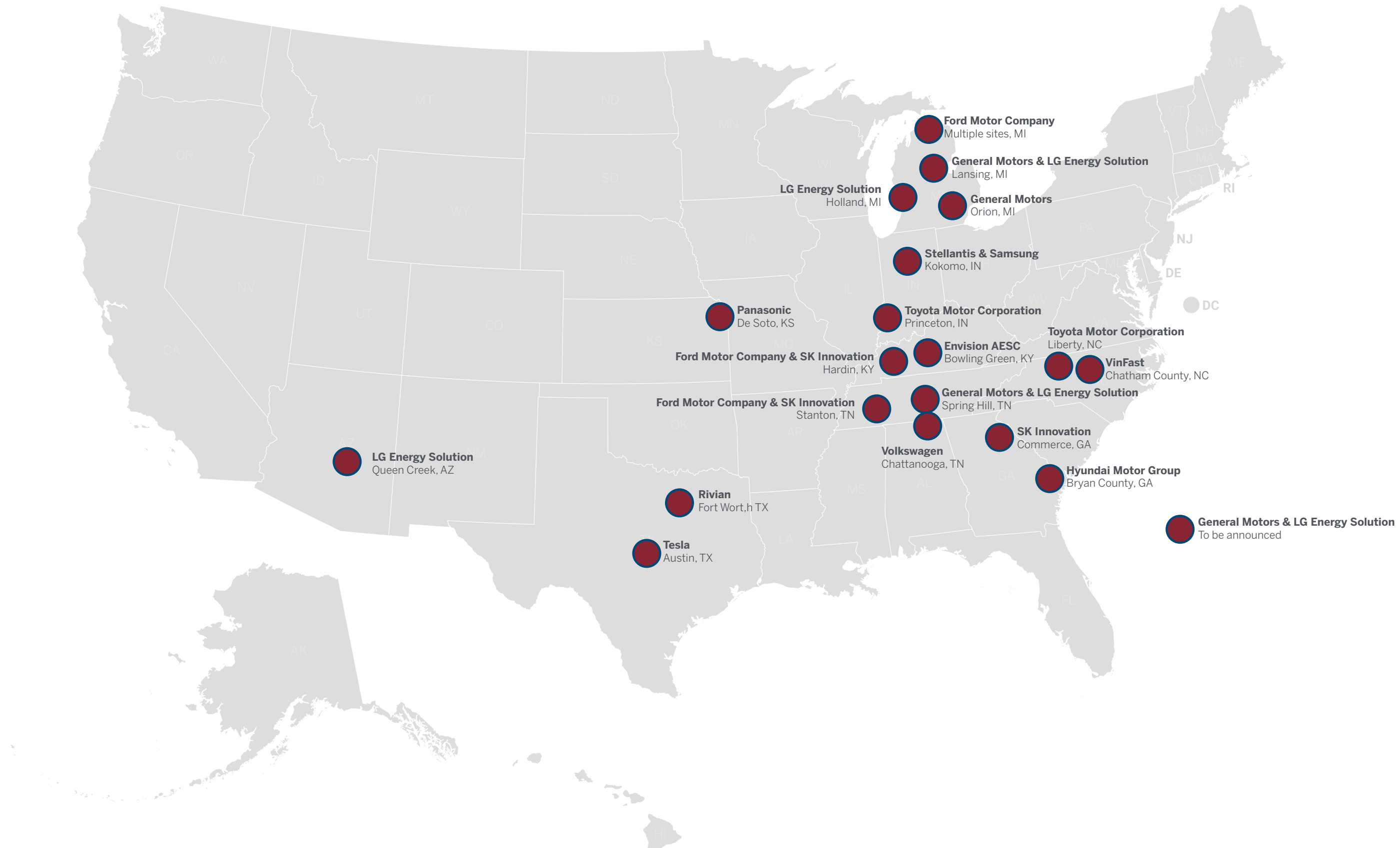
The growth in the EV market will be huge. EV market values are estimated at $171. 26 B in 2020, and it is expected to reach a value of $ 725.14 B by 2026.[157] Heavy investments from automakers are expected to cater to the growing demand for EVs, including:

- Ford committed to spending $11.5 billion on electrifying its vehicle lineup through 2022.[158]
- Mercedes Benz confirmed that it would roll out 25 new plugin hybrid electric vehicles in addition to fully electric vehicles by 2025.
- GM is on its way to an all-electric future, with a commitment to 30 new global electric vehicles by 2025.[159]
- Toyota aims to produce 3.5 million electric vehicles by 2030, or about one-third of Toyota's sales before the pandemic with plans to offer 30 battery-powered vehicles by the end of the decade.[160]
- Honda has a 40% sales goal of all its vehicle fleet being zero emissions by 2030 and the automaker rolled out projections for the battery electric Honda Prologue SUV set to arrive on sale 2024 with a sales target of 70,000 units for the new model in year one and 500,000 annual sales by 2030.[161]
- Daimler AG (aka Chrysler) is targeting over 70% of sales in Europe and over 40% in the United States to be low-emission vehicles (LEV) by 2030.[162]

The disruption in the current automaker supply chain will be equally huge. In an EV, there is no internal combustion engine, fuel system, exhaust system, no oil, little use of the breaks, no transmission, computer software and electrical wiring will play a larger role and the EV battery becomes the lifeblood of the car.[163] The $44 B internal combustion engine transmission industry from Dana Corporation to Allison Transmission will need to adapt to a new business model that will impact its current market but possibly create new ones.[164] Dana Electrified is leading the way to capture this new market by providing leading drivetrain and e-Propulsion technologies for the EV market.[165] Same goes with the fuel system and exhaust system industry. The existing automaker supply chain needs to adapt and be open to new business opportunities that in turn create economic development incentive and growth opportunities tied to the EV marketplace. Another market to watch is a new generation of EV automobile manufacturers. Tesla of course is the company that catches all the headlines but other EV manufacturers include: Bollinger; Byton; Canoo; Faraday Future; Fisker; Lucid; and Rivian.

EV economic development incentive projects are landing across the United States. Electric adventure vehicle manufacturer Rivian Inc. will invest $5 billion in a roughly 2,000 acre carbon-conscious campus in Stanton Springs, Georgia which is expected to create 7,500 jobs.[166] STAR EV, a specialized electric vehicle manufacturer, plans to expand operations at its manufacturing center in Simpsonville, South Carolina investing $8.7 million and creating 50 jobs.[167] Ford picked Tennessee for a massive $5.6 billion investment by Ford and battery maker SK Innovation, on a 3,600-acre campus, creating some 5,800 new jobs.[168] Ford also announced a $100 million investment to locate its new global battery center of excellence at its plant in Romulus, Michigan creating 200 jobs.[169] A leader in the design and manufacturing of zero-emission electric transit vehicles, Proterra will establish new manufacturing operations at Carolina Commerce Center in Greer, South Carolina providing a $76 million investment and creating 200 new jobs.[170]

The Site Selectors Guild released a list of major EV battery facilities have been announced recently. Capital investment tied to the EV revolution and transformation of the auto industry is expected to create $54 B in capital investment in the coming years and results in some of the largest economic development mega projects in the United States.



Largest EV Project Announcements

Company	Location	Capex ($M)	Jobs
Ford Motor Company & SK Innovation	Hardin, KY	$5,800	5,000
Ford Motor Company & SK Innovation	Stanton, TN	$5,600	6,000
Hyundai Motor Group	Bryan County, GA	$5,500	8,100
Rivian	Fort Worth, TX	$5,000	7,500
General Motors	Orion, MI	$4,000	2,350
General Motors & LG Energy Solution	Lansing, MI	$2,600	1,700
SK Innovation	Commerce, GA	$2,600	3,000
Stellantis & Samsung	Kokomo, IN	$2,500	1,400
General Motors & LG Energy Solution	Spring Hill, TN	$2,300	1,300
General Motors & LG Energy Solution	To be announced	$2,100	Not available
Panasonic	De Soto, KS	$4,000	4,000
Envision AESC	Bowling Green, KY	$2,000	2,000
Ford Motor Company	Multiple sites, MI	$2,000	3,200
VinFast	Chatham County, NC	$2,000	7,500
LG Energy Solution	Holland, MI	$1,700	1,200
LG Energy Solution	Queen Creek, AZ	$1,400	Not available
Toyota Motor Corporation	Liberty, NC	$1,290	1,750
Tesla	Austin, TX	$1,100	5,000
Toyota Motor Corporation	Princeton, IN	$803	1,400
Volkswagen	Chattanooga, TN	Not available	Not available
TOTAL		$54,293	62,400

Source: Site Selection Group, IncentivesFlow, Press Releases

Ohio offers prime opportunities for EV investments. Ohio has the second largest share of auto industry jobs in the U.S. behind Michigan. Ohio has nearly 800 firms employing over 40,000 Ohioans in EV industry. Ohio benefit from a large array of local and state economic development incentives that should be attractive to the EV industry.

Ohio EV Economic Development Incentives

JobsOhio Growth Fund

- Grants & loans for job expansion projects to companies that have limited access to funding from conventional, private sources of financing

JobsOhio Research and Development Center Grant

- Grants & loans for corporate R&D centers to develop and commercialize emerging technologies and products

JobsOhio Revitalization Program

- $500,000 to $5 M in loans and $1M in grants for redevelopment of sites create or retain at least 20 jobs for public or private sector applicants for site demo, environmental remediation, building construction, infrastructure and environmental testing

JobsOhio Workforce Grant

- Grants for companies creating high-wage, non-retail jobs to fund employee development and training programs

Joint Economic Development Districts

- Joint Ohio townships and municipalities served territory and capture potential income tax at the site to fund its infrastructure and public services

Ohio Job Creation Tax Credit

- Competively awarded, refundable and performance-based tax credit for non-retail companies creating 10 jobs with a minimum annual new payroll of $660,000 and that pay at least 150 % of the federal minimum wage

Ohio 629 Roadwork Grants

- Grants for public roadway improvements for manufacturing, research and development, high technology, corporate headquarters, and distribution projects that create jobs

Ohio MegaProject Incentive

- Large scale economic development projects can qualify for a 30 year Ohio JCTC and local tax abatement

Tax Abatement

- Community Reinvestment Area and Enterprise Zone programs provide locally enacted real and personal property tax abatement for new capital investment creating jobs

Tax Increment Financing

- Local governments program that defines districts to capture future assessed value of property tax for the use on public infrastructure

Ohio is well positioned to gain major EV facilities. In fact, they already have gained market share in this industry. SEMCORP Advanced Materials Group selected Sidney, Ohio, as the site of a $916 million manufacturing facility that will make separator film, a key component in batteries for electric vehicles.[171] The 850,000-square-foot manufacturing plant will create nearly 1,200 jobs with an annual payroll of $73 million.[172] The facility will be the largest foreign direct investment in Ohio and one of the biggest investments in the Chinese company's history.[173] It will also make SEMCORP the largest manufacturer of separator film for EV batteries in the U.S. As the push for more electric vehicles grows in the U.S., SEMCORP's products will be used by leading EV battery makers across North America.[174] Also, reports indicate Honda plans a $4.5 B EV batter facility developed jointly with LG that is destined for the Buckeye state as well.

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