

# **Business Financing & Development Incentives Guide**

*From the Muskingum Growth Partnership*

# Business Financing & Development Incentives

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## Local Business Development Agencies

**Zanesville-Muskingum County Chamber of Commerce**  
Convention & Visitors Bureau • Zanesville Downtown Association • Muskingum Growth Partnership  
205 North Fifth Street  
Zanesville, OH 43701  
phone: 740/455-8282 • fax: 740/454-2963  
[www.zmchamber.com](http://www.zmchamber.com)  
[www.visitzanesville.com](http://www.visitzanesville.com)

**Zanesville-Muskingum County Port Authority**  
205 North Fifth Street  
Zanesville, OH 43701  
phone: 740/455-0742 • fax: 740/452-9703  
[www.zmcport.com](http://www.zmcport.com) or email @ [info@zmcport.com](mailto:info@zmcport.com)

**City of Zanesville Community Development Department**  
401 Market Street  
Zanesville, OH 43701  
phone: 740/455-0612 • fax: 740/452-2596  
[www.coz.org](http://www.coz.org)

**Muskingum County Business Incubator**  
56 North Fifth Street  
Zanesville, OH 43701  
phone: 740/453-3649 • fax: 740/453-2761  
[www.zmchamber.com/ed.htm](http://www.zmchamber.com/ed.htm)

## Muskingum County Business Lenders

Century National:	(740) 454-2521	<a href="http://www.centurynationalbank.com">www.centurynationalbank.com</a>
Chase:	(740) 450-5010	<a href="http://www.chase.com">www.chase.com</a>
Citizens National	(740) 674-6055	<a href="http://www.cnb-online.net">www.cnb-online.net</a>
Community Bank:	(740) 454-2265	<a href="http://www.thecombank.com">www.thecombank.com</a>
Huntington National	(740) 452-8444	<a href="http://www.huntington.com">www.huntington.com</a>
PNC	(740) 454-1271	<a href="http://www.nationalcity.com">www.nationalcity.com</a>
North Valley Bank	(740) 450-2265	<a href="http://www.nvboh.com">www.nvboh.com</a>
Peoples Bank	(740) 588-0100	<a href="http://www.peoplesbankcorp.com">www.peoplesbankcorp.com</a>

## Local Business Development Assistance

### Development Incentives

What are they? How do they work? Who can apply? How can businesses take advantage of the development incentive programs offered? These are fundamental questions that this publication will seek to address.

### What Are They?

Development incentives are one tool a state or a community uses to attract private companies and the jobs and tax base they can bring when they expand or relocate.

Simply put, incentive programs are an inducement to invest and are used to encourage a company to expand by helping them complete a project at reduced cost. Examples include tax credits, tax exemptions, grants and low interest loans. These are applied to improvements such as building construction or expansion, equipment purchases, working capital needs, newly created or retained jobs, worker training, and other business investments.

Incentives are never the sole factor in a business location or expansion decision. Issues such as proximity to markets, quality and availability of workforce, and development costs are equally important. However, incentives are nevertheless a critical part of the formula in the intense competition between states and communities to attract and retain businesses, and they must be made available by a community if it wants to compete successfully for development projects in today's environment.

Tax exemptions and credits through development incentive programs are rarely permanent. Governments provide incentives to attract investment in the short term, foregoing the initial full tax benefit in order to land the project. Then, in the longer term, the complete benefit is realized when the property later comes on the tax rolls at full value. If a business fails or relocates before the full value is obtained, most programs provide for cancellation or recapture of the exemption amount.

Finally, incentive programs are a deliberate public policy, authorized by state and local law, for encouraging economic investment and growth in the private sector. These are government sponsored, officially sanctioned assistance programs, much like those that provide financial advantages to individual taxpayers and other groups. Therefore, they are an approved economic strategy that, when used correctly, has a real and positive impact both on individual companies and on communities. In other words, offering incentives is like a business investment, involving both risk and reward, but with the real likelihood of a substantial return for the community.

### Who is eligible?

Incentives are not just for big companies building big facilities. Nor are they just for firms that are new to a state or community. Programs are available to assist most businesses that create or retain jobs or make an investment in equipment or facilities. Some programs are targeted to certain industries, and most all incentives are geared toward encouraging growth in manufacturing, distribution and technology fields. Few programs are available to those businesses in service or retailing. The requirements in this regard vary from program to program. A company will need to examine each closely to find those incentives that are appropriate to their project and their industry.

It is important to note that most all incentive programs require application and approval **BEFORE** initiating a project or purchase. Incentive and assistance programs cannot be applied retroactively. Approval for the incentive will typically not be granted if the company has already started or completed the expansion, improvement or purchase.

## **Types of Incentive Programs**

There are several major types of incentive programs. Tax abatements are perhaps the most widely recognized type of development incentive. They are however just one type of assistance available. Other equally important programs include targeted tax credits and loan programs. (Grants are absent from this discussion of development incentives. Grants directly to private, for-profit firms are few and far between. They are rare and targeted enough that they will not be reviewed in this general discussion on incentives.)

### **Abatements**

Tax abatements are incentives designed to give businesses property tax relief. These abatements can help reduce both real and personal property taxes and are normally secured when a business expands or locates in an enterprise zone or community reinvestment area.

### **Tax Credits**

Tax credits normally arise due to investment in people, training or property. Various credits in this area exist. There are jobs credits, training credits, research credits, and investment credits just to name a few. These credits can be both refundable and non refundable and are offered at both the federal and state levels.

### **Loan Programs**

Federal incentives typically come in the form of lending programs such as direct loans and guarantees of bank loans. State and local loan programs are also commonly used in development as incentives for growth. The purpose of almost all of these programs is to reduce the cost of borrowing. Lower interest rates or longer terms help the firm lower payments and incur less interest expense. Another purpose of these programs is to lower the risk inherent in any business loan by spreading it among more than one financial institution or program. Business growth, with all its positive ripple effects, is more likely to be funded if the risk to the lender is reduced.

It is common for one or more government loan programs to be blended with a conventional business loan from a bank to create a financing package. For example, a business might need \$500,000 for an expansion. Fifty percent of that amount, or \$250,000, is borrowed from a commercial bank. Of the remaining 50%, thirty percent could be borrowed through a government program with 20% contributed by the business owner as equity. In some cases, the participation of a bank is required before government programs can be accessed, although exceptions are noted within this guide.

Loan guarantees work in much the same way. The government in effect insures a portion of the loan so the bank is able to make a loan that holds greater risk. The bank makes the entire loan to the business and receives its guarantee for a portion of the total amount from the government.

In all cases, the company should expect to have to meet normal lending requirements when using government loan programs. Solid credit, a proven business model, strong cash flow, adequate collateral, and other typical criteria will need to be met in order to gain loan approval.

Be sure to seek additional information about any of these programs before attempting to use them. Some development projects are better suited to certain kinds of incentive programs – one size does not fit all. Plus, there are at times fees and other charges associated with using a program. Make sure you know all the costs and other terms and implications before deciding to use a loan program. Ask many questions before-hand and you can avoid unexpected costs and hassles in the long run.

## **Conclusion**

All companies – big or small, existing or new, local or national – should take advantage of these programs when they are eligible. They can help businesses more affordably invest, grow, and create jobs. Further, when a business uses an incentive program it is helping the government accomplish its economic development goals and make its public policy a success. The programs are offered for these very reasons and businesses should not be shy about using the benefits that are available to them.

## SBA / 504 Loan Program

<b>Type of Loan:</b>	Direct loan to business
<b>Eligible Businesses:</b>	Retail, commercial, manufacturing, distribution or service
<b>Size Standards:</b>	Net worth below \$7.5 million; annual profits below \$2.5 million.
<b>Use:</b>	Land acquisition and improvements, purchase or remodeling of a building, construction of or addition to a building, purchase of machinery or equipment, leasehold improvements. The funds cannot be used for working capital or inventory.
<b>Maximum:</b>	40% of project cost, up to \$1.5 million, but maximum for a small manufacturer is \$2.0 million. A "small manufacturer" has its primary business classified in sector 31, 32, or 33 of the North American Industrial Classification System (NAICS) and all of its production facilities located in the United States.
<b>Term:</b>	10 years for equipment, 20 years for real estate
<b>Rates:</b>	Tied to Treasury Bonds; T-Bonds plus 1.5%, fixed rate
<b>Equity:</b>	Minimum 10% equity investment
<b>Job Creation:</b>	One job for each \$50,000 of 504 financing, except small manufacturers for which the requirement is \$100,000
<b>Bank Loan:</b>	50% of project cost; fixed or floating rate; minimum seven (7) year term on equipment and ten (10) year term on real estate
<b>Fees:</b>	Application fee; up-front processing: 2.875%; annual: .60% servicing fee; closing: maximum \$2,500
<b>Contact:</b>	Community Capital Development Corporation 900 Michigan Avenue Columbus, OH 43215-1165 phone: 614/645-6171 • fax: 614/645-8588  Zanesville-Muskingum County Chamber of Commerce 205 North Fifth Street Zanesville, OH 43701 phone: 740/455-8282 • fax: 740/454-2963

## SBA / Contract Loan Program

<b>Type of Loan:</b>	Direct loan to business
<b>Eligible Businesses:</b>	Construction contractors, general or special trade; manufacturers and service contractors with an assignable contract are eligible; must be in operation for 12 months before the date of the application
<b>Size Standards:</b>	Must have fewer than 500 employees
<b>Use:</b>	Finance labor and material costs for one contract; cannot be used to finance receivables or inventory
<b>Maximum:</b>	Up to \$155,000 guaranteed at up to 90%; up to \$750,000 guaranteed at up to 85%
<b>Term:</b>	Typically a 12 month term; large contracts may be approved for 18 months by the District Director
<b>Rates:</b>	Interest rate set by the bank, not to exceed the maximum rate set by SBA
<b>Equity:</b>	Assignment of the contract proceeds is required as collateral; pledge of outside assets and secured personal guarantees are usually required
<b>Contact:</b>	U.S. Small Business Administration Federal Building, U.S. Courthouse 85 Marconi Blvd., Room 512 Columbus, OH 43215 phone: 614/469-6860

## SBA / Short-Term Working Capital Loans

There are five short-term working-capital loan programs for small businesses under the CAPLines umbrella:

**Seasonal Line:** These are advances against anticipated inventory and accounts receivable help during peak seasons when businesses experience seasonal sales fluctuations. Can be revolving or non-revolving.

**Contract Line:** Finances the direct labor and material cost associated with performing assignable contract(s). Can be revolving or non-revolving.

**Builders Line:** If you are a small general contractor or builder constructing or renovating commercial or residential buildings, this can finance direct labor-and material costs. The building project serves as the collateral, and loans can be revolving or non-revolving.

**Standard Asset-Based Line:** This is an asset-based revolving line of credit for businesses unable to meet credit standards associated with long-term credit. It provides financing for cyclical growth, recurring and/or short-term needs. Repayment comes from converting short-term assets into cash, which is remitted to the lender. Businesses continually draw from this line of credit, based on existing assets, and repay as their cash cycle dictates. This line generally is used by businesses that provide credit to other businesses. Because these loans require continual servicing and monitoring of collateral, additional fees may be charged by the lender.

**Small Asset-Based Line:** This is an asset-based revolving line of credit of up to \$200,000. It operates like a standard asset-based line except that some of the stricter servicing requirements are waived, providing the business can consistently show repayment ability from cash flow for the full amount.

<b>Eligible Businesses:</b>	Retail, commercial, manufacturing, distribution or service
<b>Size Standards:</b>	Must have fewer than 500 employees
<b>Use:</b>	Short term and cyclical working capital
<b>Maximum:</b>	\$750,000 guaranteed at 75% (80% if total loan is \$100,000 or less), except as noted above.
<b>Term:</b>	Up to Five years.
<b>Rates:</b>	Negotiated, up to prime rate plus 2.75%; may be fixed or variable
<b>Equity:</b>	Holders of at least 20% ownership in the business are generally required to guaranty the loan.
<b>Contact:</b>	U.S. Small Business Administration Federal Building, U.S. Courthouse 85 Marconi Blvd., Room 512 Columbus, OH 43215 phone: 614/469-6860

## SBA / Defense Loan & Technical Program

<b>Type of Loan:</b>	Guaranteed Loan
<b>Eligible Businesses:</b>	Defense-dependent small firms adversely affected by defense cuts; small businesses must derive at least 25% of its revenues from the Department of Defense or defense related contracts; program continues based upon the availability of funds  Must meet one of the following: job creation, job retention or plant retooling or remodeling
<b>Size Standards:</b>	Net worth below \$7.5 million; annual profits below \$2.5 million
<b>Use:</b>	Financial and technical assistance to help defense-dependent firms diversify into commercial market
<b>Maximum:</b>	\$1.25 million (total loan amount)
<b>Term:</b>	Varies depending on 7 (a) or 504 participation; 10 years for equipment (may not exceed life of equipment), 20 years for real estate (may extend up to 25 years for real estate or construction)
<b>Rates:</b>	Varies depending on 7 (a) or 504 participation; tied to Treasury Bonds; T-Bonds plus 1.5%, fixed rate; negotiable with lender; maximum 2.75% over prime
<b>Bank Loan:</b>	Required
<b>Fees:</b>	Guaranty fee paid by lender (may be passed on); based on maturity amount of SBA exposure
<b>Contact:</b>	U.S. Small Business Administration Federal Building, U.S. Courthouse 85 Marconi Blvd., Room 512 Columbus, OH 43215 phone: 614/469-6860

## SBA / Small Business Energy Conservation

<b>Type of Loan:</b>	Direct loan to business
<b>Eligible Businesses:</b>	Must be engaged in engineering, manufacturing, distributing, marketing, installing or servicing products or services designed to conserve the nation's energy resources.
<b>Size Standards:</b>	Must have fewer than 500 employees
<b>Use:</b>	Land acquisition and improvements, purchase or remodeling of a building, construction of or addition to a building, purchase machinery, equipment, furniture or fixtures; provide working capital for entry to expansion into eligible conservation project areas; up to 30% of loan proceeds may be used for research and development
<b>Maximum:</b>	Up to \$2,000,000 maximum and no minimum
<b>Term:</b>	Maximum term is 25 years
<b>Rates:</b>	Prime rate plus 1.0% to 1.5% are typical but depends
<b>Fees:</b>	3 to 3.5%
<b>Equity:</b>	Pledge adequate collateral and provide personal guarantees if requested by the Small Business Administration
<b>Contact:</b>	U.S. Small Business Administration Federal Building, U.S. Courthouse 85 Marconi Blvd., Room 512 Columbus, OH 43215 phone: 614/469-6860

## SBA / Export Working Capital Program

<b>Type of Loan:</b>	Guaranteed loan
<b>Eligible Businesses:</b>	Small business exporters who need short-term working capital and/or a line credit to support ongoing export sales for a period of 12 months
<b>Size Standards:</b>	Net worth below \$7.5 million; annual profits below \$2.5 million
<b>Use:</b>	Short-term working capital loans for exporters
<b>Maximum:</b>	Maximum line of credit/loan amount is \$2M. Participating banks receive a 90% SBA guarantee.
<b>Term:</b>	Matches single transaction cycle or generally one year for line of credit
<b>Rates:</b>	Fixed or variable depending on lending institution.
<b>Equity:</b>	The export-related inventory and the A/R's guaranteed by the export sales
<b>Fees:</b>	Paid by lender (may be passed on); based on maturity amount of SBA exposure
<b>Contact:</b>	Community Capital Development Corporation 900 Michigan Avenue Columbus, OH 43215-1165 phone: 614/645-6171 • fax: 614/645-8588

## SBA / Export Express

<b>Type of Loan:</b>	Guaranteed loan—"Express" review process through SBA certified express lenders expedites decision making by SBA.
<b>Eligible Businesses:</b>	Small business exporters who need short-term working capital
<b>Size Standards:</b>	Net worth below \$7.5 million; annual profits below \$2.5 million
<b>Use:</b>	Short-term working capital loans for exporters and fixed assets
<b>Maximum:</b>	Up to \$250,000. Institutions receive an 85% SBA guaranty on loan amounts up to \$150,000 and 75% on loan amounts between \$150,000 and \$250,000
<b>Term:</b>	5 to 10 years on working capital, 10 to 15 years on machinery and equipment and up to 25 years on real estate
<b>Rates:</b>	No cap; vary depending on lender
<b>Fees:</b>	Paid by lender (may be passed on); based on maturity amount of SBA exposure
<b>Contact:</b>	Community Capital Development Corporation 900 Michigan Avenue Columbus, OH 43215-1165 phone: 614/645-6171 • fax: 614/645-8588

## SBA / 7a Loan Guaranty

<b>Type of Loan:</b>	Partial loan guarantee
<b>Eligible Businesses:</b>	Retail, commercial, manufacturing, distribution or service
<b>Size Standards:</b>	Depends on industry type but in general must have fewer than 500 employees
<b>Use:</b>	Working capital; acquisition of supplies, inventory or fixed assets; financing of contracts
<b>Maximum:</b>	\$150,000 guaranteed at 75% (85% if total loan is \$150,000 or less). Maximum loan is \$2.0 million with 75% guarantee.
<b>Term:</b>	5 to 10 years for working capital; up to 25 years for fixed assets (not to exceed life of equipment)
<b>Rates:</b>	Negotiated, up to prime rate plus 2.25% depending on length of the loan; may be fixed or variable
<b>Equity:</b>	Start-ups must have 20% to 30% equity investment; more is required on higher risk businesses; requires a personal guarantee
<b>Bank Loan:</b>	Required; application is submitted through a private lender
<b>Contact:</b>	U.S. Small Business Administration Federal Building, U.S. Courthouse 85 Marconi Blvd., Room 512 Columbus, OH 43215 phone: 614/469-6860  Zanesville-Muskingum County Chamber of Commerce 205 North Fifth Street Zanesville, OH 43701 phone: 740/455-8282 • fax: 740/454-2963

## SBA / Micro-Loan Program

<b>Type of Loan:</b>	Partial loan guarantee
<b>Eligible Businesses:</b>	Start up, newly established, or growing small businesses
<b>Size Standards:</b>	Depends on industry type but in general must have fewer than 500 employees
<b>Use:</b>	Limited working capital; acquisition of supplies, inventory or fixed assets; financing of contracts
<b>Maximum:</b>	\$35,000 maximum loan. Average loan size is \$13,000
<b>Term:</b>	Maximum term of six years
<b>Rates:</b>	Negotiated rate; depends on lender; generally between 8% and 13%
<b>Equity:</b>	Depends on lender; owner should expect to provide collateral and provide a personal guarantee
<b>Bank Loan:</b>	Required; application is submitted through a private lender
<b>Contact:</b>	U.S. Small Business Administration

## SBA / Pollution Control Loan Program

<b>Type of Loan:</b>	Partial loan guaranty
<b>Eligible Businesses:</b>	Small businesses that plan to design, build, install or service a pollution control facility
<b>Size Standards:</b>	Depends on industry type but in general must have fewer than 500 employees
<b>Use:</b>	Proceeds must be used for planning, design, or installation of the pollution control facility
<b>Maximum:</b>	\$2,000,000 Maximum loan
<b>Term:</b>	Up to 25 years
<b>Rates:</b>	Maximum rate is 2.75% over prime; 1.0 to 1.5% is typical
<b>Equity:</b>	Real estate or equipment can be used as equity
<b>Bank Loan:</b>	Required; SBA participating lenders
<b>Fees:</b>	Varies based on lender
<b>Contact:</b>	U.S. Small Business Administration Federal Building, U.S. Courthouse 85 Marconi Blvd., Room 5 Columbus, OH 43215 phone: 614/469-6860

## SBA / International Trade Loan Program

<b>Type of Loan:</b>	Guaranteed loan
<b>Eligible Businesses:</b>	Small businesses engaged or preparing to engage in international trade or adversely affected by competition from imports
<b>Size Standards:</b>	Start-ups, businesses with \$5 million or less annual sales for past 3 years; employ 100 or fewer
<b>Use:</b>	Acquisition, construction, renovation, modernization, improvement or expansion or refinancing of debt used for the same purposes
<b>Maximum:</b>	Maximum gross amount of \$2.0 million and SBA guaranteed amount of \$1.5 million. SBA amount can go up to \$1.75 million in certain circumstances
<b>Term:</b>	Up to 25 years
<b>Rates:</b>	Negotiable with lender; maximum rate 2.75% over prime
<b>Fees:</b>	Paid by lender (may be passed on); based on maturity amount of SBA exposure
<b>Contact:</b>	U.S. Small Business Administration Federal Building, U.S. Courthouse 85 Marconi Blvd., Room 512 Columbus, OH 43215 phone: 614/469-6860

## SBA / Seasonal Line of Credit

<b>Type of Loan:</b>	Partial loan guarantee
<b>Eligible Businesses:</b>	Small firms needing a loan due to seasonal increase in business activity; must have been in business for at least 12 months; this program is for those contractors who cannot obtain bonding elsewhere
<b>Size Standards:</b>	Must have fewer than 500 employees
<b>Maximum:</b>	Up to \$150,000, guaranteed at up to 85%; up to \$750,000 guaranteed at up to 75% i.e. for loans between \$150,000 and \$750,000
<b>Term:</b>	Up to 5 years
<b>Rates:</b>	Maximum prime rate plus 2.25%
<b>Bank Loan:</b>	Required; loan secured from private lender
<b>Contact:</b>	U.S. Small Business Administration Federal Building, U.S. Courthouse 85 Marconi Blvd., Room 512 Columbus, OH 43215 phone: 614/469-6860

## SBA / Patriot Express Loan

<b>Type of Loan:</b>	Partial loan guarantee
<b>Eligible Businesses:</b>	Small businesses owned by veterans, service disabled veterans, active-duty service members participating in the military's Transition Assistance Program, Reservists and National Guard members, current spouses of any of the above, and the widowed spouse of a service member or veteran who died during services, or of a service-connected disability
<b>Size Standards:</b>	Small businesses with 500 or less employees
<b>Use:</b>	Working capital; acquisition of supplies, inventory or fixed assets; financing of contracts
<b>Maximum:</b>	\$500,000 maximum loan
<b>Term:</b>	
<b>Rate:</b>	2.25% to 4.75% over prime
<b>Equity:</b>	Loans above \$350,000 require collateral
<b>Bank Loan:</b>	Required; loan secured through private lender
<b>Contact:</b>	U.S. Small Business Administration Federal Building, U.S. Courthouse 85 Marconi Blvd., Room 512 Columbus, OH 43215 phone: 614/469-6860

## USDA Business & Industry Loan Guarantees

<b>Type of Loan:</b>	Partial loan guarantee
<b>Eligible Businesses:</b>	Manufacturing, wholesale, retail, and services. Projects must involve the creation and/or saving of jobs. The purpose need not be agriculturally related.
<b>Size Areas:</b>	Incorporated communities under 50,000 population and not adjacent to urban or urbanizing areas. Priorities will be given to communities under 25,000 population.
<b>Use:</b>	Business and industrial acquisitions when the loan will keep the business from closing; Real estate, machinery and equipment, or term working capital used for conversion, enlargement, repair or modernization and development
<b>Maximum:</b>	\$10,000,000 maximum loan; 80% guarantee on \$5,000,000 or less; 70% guarantee on loans of \$5,000,000 to \$10,000,000
<b>Rates/Term:</b>	Interest rates (fixed or variable) and terms (maximum 30 years) are negotiable between the lender and borrower subject to approval by Rural Development. Generally, personal guarantees will be required. A one-time guarantee fee, equal to two percent (2%) of the guaranteed portion of the loan, is due at the time the guarantee is issued.
<b>Equity:</b>	A new start-up business should have a start-up balance sheet tangible book equity of 20-25 percent (appraisal surplus and subordinated debt will not be included as equity items). Borrowers with a history of proven successful operations must have a minimum of 10 percent tangible balance sheet equity. Larger amounts may be required
<b>Eligible Lenders:</b>	Must be a local regulated lender such as any federal or state chartered bank, savings and loan association, building and loan association, or some mortgage and insurance companies
<b>Contact:</b>	United States Department of Agriculture Rural Development Federal Building, Room 507 200 North High Street Columbus, Ohio 43215 phone: 614/255-2424 • fax: 614/255-2562  <a href="http://www.rurdev.usda.gov">http://www.rurdev.usda.gov</a> <a href="http://www.rurdev.usda.gov/oh/index.html">http://www.rurdev.usda.gov/oh/index.html</a>

## Ohio / 166 Direct Loan Program

<b>Type of Loan:</b>	Direct loan to business
<b>Eligible Businesses:</b>	Includes but not limited to manufacturing, R&D and distribution businesses. Retail projects do not qualify.
<b>Use:</b>	Land and building acquisition, expansion or renovation of existing facility, machinery and equipment purchase
<b>Maximum:</b>	Up to 30% of total eligible fixed cost, \$1 million maximum; \$350,000 minimum.
<b>Term:</b>	10 (M&E) to 15 years (Real Estate)
<b>Rates:</b>	2/3 of prime, fixed rate maximum
<b>Equity:</b>	Minimum 10% equity investment
<b>Job Creation:</b>	Requires one job for each \$15,000 of 166 financing within a 3 year period; one job for each \$35,000 in priority investment areas
<b>Bank Loan:</b>	Minimum lending institution participation is 25%
<b>Fees:</b>	\$1,500 application fee, 2% processing fee on 1 <sup>st</sup> \$1.0 million with 1% fee thereafter up to \$50,000 and a .25% annual service fee
<b>Contact:</b>	Ohio Department of Development Office of Business Development 77 South High Street PO Box 1001 Columbus, OH 43216-1001 phone: 614/466-5420 • 1-800-848-1300  Zanesville-Muskingum County Port Authority 205 North Fifth Street Zanesville, OH 43701 phone: 740/455-0742 • Online: <a href="http://zmchamber.com">zmchamber.com</a>

## Ohio / GrowNOW Interest Rate Loan

**Program:** GrowNOW provides an interest rate reduction on loans to Ohio's small businesses and, as long as its creating or protecting jobs, the loan can be used for any purpose. Altogether, a business could save up to \$24,000 over two years, money that effectively stretches the value of the loan, and can help a business expand, move, or adapt to the changing marketplace.

**Maximum Loan:** \$400,000

**Process:** Small business owner applies for a loan with an eligible bank  
Bank approves the loan and negotiates an interest rate with applicant  
Bank and small business owner apply for GrowNOW interest rate reduction  
If approved, the Ohio Treasury places a CD with the bank at a reduced rate.

**Savings:** The bank agrees to pass along the interest savings of 3% to the small business owner's loan  
GrowNOW saves small business owners up to \$24,000 in interest over the two-year life of the CD

## Ohio / Community Development Block Grant

<b>Type of Loan:</b>	Grant to small city or non-urban county; loan available to user or developer
<b>Eligible Businesses:</b>	Manufacturing or commercial
<b>Use:</b>	Projects must help in the development and revitalization of local communities; must be fixed assets related to commercial, industrial or infrastructure
<b>Maximum:</b>	\$500,000 maximum grant to small city or non-urban county on behalf of a business project; infrastructure grants require local participation based on distress levels
<b>Term:</b>	Flexible term, range 5 to 15 years
<b>Rates:</b>	Flexible fixed rate approximately 5% to 7% based on need; must be leveraged by a minimum of 1:1; environmental review covering entire project must be performed
<b>Equity:</b>	Minimum 5% equity in fixed assets
<b>Job Creation:</b>	Project must create or retain at least five (5) jobs within 3 years; 51% of all jobs must be for persons from low and moderate-income households; one job for each \$25,000 of CDBG financing
<b>Contact:</b>	Ohio Department of Development Office of Housing and Community Partnerships 77 South High Street, 24th Floor Columbus, OH 43216 phone: 614/466-2285 • 1-800-848-1300  Zanesville-Muskingum County Port Authority 205 North Fifth Street Zanesville, OH 43701 Online: <a href="http://zmccchamber.com">zmccchamber.com</a>

## Ohio / Enterprise Bond Fund

<b>Type of Loan:</b>	Direct loan to business via bond funding
<b>Eligible Businesses:</b>	Includes but not limited to manufacturing, R&D and distribution businesses. Retail projects do not qualify.
<b>Use:</b>	Land and building acquisition, construction, expansion or renovation, and equipment purchases; refinancing is ineligible; purchasing of a business is eligible
<b>Maximum:</b>	\$10 million maximum; can finance up to 90% of total project amount; \$1.5 million minimum loan
<b>Term:</b>	maximum of 10 years for machinery and 15 years for real estate
<b>Rates:</b>	Interest rate based on Standard & Poor's A-minus rating at the time the bonds are sold
<b>Equity:</b>	Minimum 10% equity investment
<b>Job Creation:</b>	Must be able to document job creation or retention of 1 job for every \$75,000 OEBF proceeds within a 3 year period (1 job for every \$100,000 OEBF proceed in priority investment areas)
<b>Fees:</b>	Application fee required
<b>Contact:</b>	Ohio Department of Development Office of Business Development 77 South High Street PO Box 1001 Columbus, OH 43216-1001 phone: 614/466-5420 • 1-800-848-1300  Zanesville-Muskingum County Port Authority 205 North Fifth Street Zanesville, OH 43701 phone: 740/455-0742 • Online: <a href="http://zmcport.com">zmcport.com</a>

## Ohio / Innovation Ohio Loan Fund

<b>Type of Loan:</b>	Guaranteed loan
<b>Eligible Businesses:</b>	Established Ohio companies that have a recent history of positive cash flow, a minimum of three years operating history and ability to attract 3 <sup>rd</sup> party capital. Target industries include advance materials, instruments, controls and electronics, power and propulsion, biosciences and information technology
<b>Use:</b>	The cost of acquisition, construction, renovation, expanding or improving project facilities and the acquisition and installation of equipment for eligible innovation projects. Funds may also be used for software and other intellectual property development
<b>Maximum:</b>	75% of a project's allowable costs to a minimum of \$500,000 and a maximum of \$2,000,000
<b>Term:</b>	Preferably from 4 to 6 years. However, in no event shall the term exceed 15 years
<b>Rates:</b>	Will not exceed prime plus 2%
<b>Fees:</b>	\$1,500 application fee; 2% of principal loan amount and 1% annual service fee on outstanding loan balance
<b>Equity:</b>	First priority mortgage and/or lien position on assets financed with the loan proceeds
<b>Contact:</b>	Ohio Department of Development International Trade Division 77 South High Street PO Box 1001 Columbus, OH 43216-1001 phone: 614/466-5017 • 1-800-848-1300

## Ohio / Job Creation Tax Credit

The Ohio Job Creation Tax Credit provides an obvious benefit for any business planning to relocate or expand in Ohio. In essence, it rewards businesses for creating jobs in Ohio by generating a refundable tax credit based on the Ohio Income Tax withheld on new employee wages.

In effect, the State will be using new state income tax revenues, from jobs that Ohio would otherwise not get, to help induce a company to create these jobs. Below is an example of how this could work.\*

Projects are approved by a five-member Tax Credit Authority, chaired by Ohio's Director of Development. The Ohio Department of Development administers the Job Creation Tax Credit Program. The Authority receives all applications for the tax credit, determines eligibility and approves terms for all tax credits granted.

The credits come from the State's General Revenue Fund for up to 10 years and are based on the size of the investment required for job creation.

Note that this credit can be used against Ohio's CAT Tax and Personal Income Tax.

### \*Example

Number of Jobs Created	Average Wage	State Tax Liability \$750 x 250	Percentage (variable)	CAT Tax Credit/Personal Income Tax Credit
250	\$30,000	\$187,500	75%	\$140,625

Minimum Requirements: At least 25 jobs must be created at an average hourly wage of 150% of minimum wage or at least 10 jobs must be created at an average hourly wage of 400% of minimum wage

**Contact:** Zanesville-Muskingum County Port Authority  
205 North Fifth Street  
Zanesville, OH 43701  
phone: 740/455-0742 • Online: [zmcport@com](mailto:zmcport@com)

Ohio Department of Development  
Office of Tax Incentives  
77 South High Street  
PO Box 1001  
Columbus, OH 432 16-1001  
614/466-5420 • 1-800-848-1300

## Ohio / Manufacturing M&E Sales Tax Exemption

Ohio provides an exemption from the state and county sales tax for companies that purchase machinery and equipment that is used or consumed in the manufacturing purposes.

The Manufacturing M&E Sales Tax Exemption provides significant savings for companies and individuals involved in manufacturing in Ohio. It includes machinery, equipment, supplies and fuel used or consumed primarily in a manufacturing operation to produce tangible personal property for sales.

Companies claim the exemption by providing the vendor with an exemption certificate, which is available on the Ohio Department of Taxation's website.

Caution: Sales and use tax law is governed by state statute and regulations. Please consult your tax advisor to determine the applicability of this exemption to your company.

**Contact:** Ohio Department of Development  
Office of Tax Incentives  
77 South High Street  
PO Box 1001  
Columbus, OH 43216-1001  
614/466-5420 • 1-800-848-1300

Ohio Department of Taxation  
Sales Tax Division  
1-800-282-1780  
[www.state.oh.us/tax](http://www.state.oh.us/tax)

## Ohio / Rural Industrial Park Loan Program

<b>Type of Loan:</b>	Direct loan to local governmental units
<b>Eligible Businesses:</b>	Local governmental units (counties, municipalities or townships) creating or expanding well planned industrial parks (also includes port authorities, CIC's and others).
<b>Use:</b>	Purchase of land, buildings, site preparation, demolition, retention ponds, parking lots, infrastructure improvements, etc.
<b>Maximum:</b>	Lessor of \$1,000,000 or 75% of the total project costs
<b>Term:</b>	15 year maximum
<b>Rates:</b>	0% for 1 <sup>st</sup> five years and no more than 50% of prime for remaining term
<b>Equity:</b>	First priority mortgage and/or lien position on assets financed with the loan proceeds
<b>Contact:</b>	Ohio Department of Development Office of Tax Incentives 77 South High Street PO Box 1001 Columbus, OH 43216-1001 614/466-5420 • 1-800-848-1300

## Ohio / Mini Loan Program

<b>Type of Loan:</b>	Partial loan guarantee
<b>Eligible Businesses:</b>	Retail, commercial, manufacturing, distribution or service; targeted 50% allocation to businesses owned by minorities and women
<b>Size Standards:</b>	Must have 25 or fewer employees
<b>Use:</b>	Land, building, machinery and equipment, leasehold improvements and renovations
<b>Job Requirements:</b>	Must create 1 job for every \$15,000 of guaranteed amount
<b>Maximum:</b>	Projects up to \$100,000
<b>Term:</b>	Maximum term is set by lender, not to exceed life of assets
<b>Rates:</b>	Interest rate of the state guarantee of the loan varies and may be fixed for 10 years; the un-guaranteed portion will be set by the lender
<b>Equity:</b>	Determined by lending institution
<b>Bank Loan:</b>	State guarantees up to 45% of an eligible bank loan up to a maximum of \$45,000
<b>Contact:</b>	Ohio Department of Development Division of Minority Business Affairs 77 South High Street Columbus, OH 43226 phone: 614/644-7708 • 1-800-848-1300

## Ohio / Minority Direct Loan

<b>Type of Loan:</b>	Direct loan to business
<b>Eligible Businesses:</b>	Must be a state-certified minority-owned business, company must be at least 51% minority-owned and controlled, must show repayment ability, management capabilities
<b>Use:</b>	Purchase or improvement of fixed assets
<b>Maximum:</b>	40% of project cost, up to \$700,000 (normally up to \$450,000)
<b>Term:</b>	Maximum term is 15 years for real estate and 10 years for machinery and equipment
<b>Rates:</b>	Fixed at 3%
<b>Fees:</b>	1.5% of loan and \$300 non refundable application fee
<b>Equity:</b>	May be required
<b>Job Creation:</b>	One job for each \$35,000 of loan financing
<b>Contact:</b>	Ohio Department of Development Division of Minority Business Affairs 77 South High Street Columbus, OH 43226 phone: 614/644-7708 • 1-800-848-1300

## Ohio / Investment Training Program

The Ohio Investment Training Program (OITP) is part of the Economic Development Division of the Ohio Department of Development and is administered through the Governor's Economic Development Regional Offices throughout the State.

By providing training dollars from the Ohio Department of Development, the program may be able to reduce the financial burden of meeting employee training needs that occur due to the addition of new employees, new equipment acquisition, new business start-up, expansion of current operations, or employee up-grading due to new product introduction and/or use of new technology.

Generally, the program may reimburse for up to one-half of the project's eligible training costs, excluding wages of the trainees. The OITP provides funds on a first-come, first-served basis during each fiscal year.

Note: Based upon the somewhat limited availability of OITP funds, by being located in Appalachia Ohio, Funds for Appalachian Industrial Retraining (FAIR) are also available to help off-set the cost of training new employees.

**Contact:** Zanesville-Muskingum County Port Authority  
205 North Fifth Street  
Zanesville, OH 43701  
phone: 740/455-0742 • Online: [zmcport.com](http://zmcport.com)

Governor's Regional Development Office  
Ohio Investment Training Office  
2146 Southgate Parkway  
Cambridge, OH 43725-3082  
phone: 740/439-2263 • fax: 740/439-1524

## Ohio / Treasury Linked Deposit

<b>Type of Loan:</b>	Direct loan to business
<b>Eligible Businesses:</b>	Retail, commercial, manufacturing, distribution or service
<b>Size Standards:</b>	Must employ fewer than 150 people and maintain offices and operating facilities exclusively in Ohio
<b>Use:</b>	Fixed assets, working capital, debt refinancing
<b>Maximum:</b>	None stated
<b>Term:</b>	Full-term determined by the lending institution, Linked Deposit rate for two (2) years, possible two (2) year extension
<b>Rates:</b>	3% below current lending rate fixed for two years (possible two year extension), bank may then extend term at current rates
<b>Equity:</b>	Determined by lending institution
<b>Job Creation:</b>	One (1) job created or retained for each \$25,000 of Linked Deposit financing
<b>Bank Loan:</b>	Must have a bank loan from an eligible state depository
<b>Contact:</b>	Public Affairs Office State Treasurer 30 East Broad Street Columbus, OH 43226-0421 phone: 614/466-8855 • 1-800-228-1102  Zanesville-Muskingum County Chamber of Commerce 205 North Fifth Street Zanesville, OH 43701 phone: 740/455-8282 • fax: 740/454-2963

# Ohio / Research & Development: Sales Tax Exemption and Tax Credit

## Sales Tax Exemption:

Ohio provides an exemption from state and county sales tax for companies that purchase equipment for research and development activities.

The R&D Sales Tax Exemption provides significant savings for companies undertaking research and development activities in Ohio. It covers research and development activity in both direct and pure research. Direct research refers to research conducted to design, create or formulate new or better products, equipment or processes. Pure research refers to scientific or technological inquiry and experimentation in the physical sciences.

Companies claim the exemption by providing the vendor with a blanket exemption certificate, which is available on the Ohio Department of Taxation's website.

Caution: Sales and use tax law is governed by state statute and regulations. Please consult your tax advisor to determine the applicability of this exemption to your company.

## Tax Credit:

Ohio provides a nonrefundable tax credit against the corporate franchise tax and is designed to encourage Ohio's corporations to invest in increased research and development activities.

The credit equals 7% of the excess amount of Qualified Research Expenses over the prior three year average. This credit can be used against Ohio's CAT Tax.

**Contact:** Ohio Department of Development  
Office of Tax Incentives  
77 South High Street  
PO Box 1001  
Columbus, OH 43216-1001  
614/466-5420 • 1-800-848-1300

Ohio Department of Taxation  
Sales Tax Division  
1-800-282-1780  
[www.state.oh.us/tax](http://www.state.oh.us/tax)

## Ohio / Research & Development Loan Fund

**Type of Loan:** Guaranteed loan/dollar for dollar tax credit equal to principal and interest paid on loan

**Eligible Businesses:** Business conducting qualified Research and Experimentation activities

**Use:** For eligible projects in which research is undertaken for the purpose of discovering and developing new or improved products, processes, techniques, formulas or inventions. Eligible project costs include but are not limited to: purchase of land, buildings, machinery, equipment, leasehold improvements and the purchase of an existing business' assets

**Maximum:** Up to 50% of a project's allowable costs with loans ranging from \$1.0 to \$25.0 million

**Term:** Conditional upon the useful life of the assets securing the loan but will not exceed 15 years.

**Rates:** Typically at or below market rates and do not exceed ½ of prime

**Fees:** \$1,500 application fee; a processing and commitment fee equal to 1% of the loan amount up to a maximum of \$50,000 and .25% annual service fee on outstanding loan balance

**Equity:** First priority mortgage and/or lien position on assets financed with the loan proceeds

**Contact:** Ohio Department of Development  
Office of Tax Incentives  
77 South High Street  
PO Box 1001  
Columbus, OH 432 16-1001  
614/466-5420 • 1-800-848-1300

## Ohio / Warehouse M&E Sales Tax Exemption

Ohio provides an exemption from state and county sales tax for companies that purchase eligible warehousing equipment. The Warehouse M&E Sales Tax Exemption provides significant savings for companies purchasing machinery and equipment for warehousing, distribution and direct marketing activities.

It includes machinery and equipment used primarily (51%) in storing, transporting, mailing or handling inventory in a warehouse, distribution center or similar facility if the inventory handled by the facility is 1) primarily distributed outside Ohio to retail stores owned by the business or affiliated group that owns the Ohio facility or 2) distributed by means of direct marketing.

Caution: Sales and use tax law is governed by state statute and regulations. Please consult your tax advisor to determine the applicability of this exemption to your company.

Companies claim the exemption by providing the vendor with an exemption certificate, which is available on the Ohio Department of Taxation's website.

**Contact:** Ohio Department of Development  
Office of Tax Incentives  
77 South High Street  
PO Box 1001  
Columbus, OH 43216-1001  
614/466-5420 • 1-800-848-1300

Ohio Department of Taxation Sales  
Tax Division  
1-800-282-1780  
[www.state.oh.us/tax](http://www.state.oh.us/tax)

## East Central Ohio Tech Angel Fund

### **What is the fund?**

An Angel Fund made up of money polled by private individuals for equity investments in small enterprises.

### **About the fund:**

The fund is specifically designed to help encourage technology based entrepreneurship and is part of a \$6.5million award from the State of Ohio to the Ohio University Voinovich Center for Leadership and Public Affairs and its collaborators within the Southeast Ohio Entrepreneurial Signature Program.

### **Purpose of the fund?**

It is a contributed capital and “sidecar” private-equity fund targeted at East Central Ohio technology companies. The fund’s purpose is to attract the best technology deals to East Central Ohio, to provide a “one stop shop” for financing technology deals, to enable member co-investment along side the fund (“sidecar investments”), and to provide deal-flow for and from business incubators in the East Central Ohio region.

## Regional / 166 Regional Direct Loan

<b>Type of Loan:</b>	Direct loan to business
<b>Eligible Business:</b>	Primarily manufacturing, Research and distribution businesses
<b>Use:</b>	Land acquisition and improvements, purchase or remodeling of a building, construction of or addition to a building, purchase machinery or equipment
<b>Maximum:</b>	Up to 40% of total eligible fixed cost (\$350,000 maximum)
<b>Term:</b>	Same as bank term; maximum term 15 years
<b>Rates:</b>	2/3 of prime, fixed rate (negotiable)
<b>Equity:</b>	Minimum 10% equity investment
<b>Job Creation:</b>	One job for each \$35,000 of 166 financing (less in priority investment areas)
<b>Bank Loan:</b>	50% of project cost; fixed or floating rate
<b>Fees:</b>	Application fee; up-front processing: 1.5%; annual: .25% servicing fee
<b>Contact:</b>	Community Capital Development Corporation 900 Michigan Avenue Columbus, OH 43215-1165 phone: 614/645-6171 • fax: 614/645-8588  Zanesville-Muskingum County Chamber of Commerce 205 North Fifth Street Zanesville, OH 43701 phone: 740/455-8282 • fax: 740/454-2963

## Regional / Appalachian Ohio Micro-Loan Program

<b>Type of Loan:</b>	Direct loan to business
<b>Eligible Businesses:</b>	Retail, commercial, manufacturing, distribution or service
<b>Size Standards:</b>	Must have fewer than 500 employees
<b>Use:</b>	Purchase of machinery and equipment, furniture and fixtures, inventory and supplies, advertising and promotion materials, remodeling expenses, working capital up to six (6) months
<b>Maximum:</b>	Up to \$35,000
<b>Term:</b>	May range from six (6) months to six (6) years
<b>Rates:</b>	Up to 12.5%
<b>Equity:</b>	Minimum five percent (5%); all loans require enough collateral to completely secure the amount borrowed
<b>Bank Loan:</b>	None, this loan program is available to help women, minorities and low-income individuals who cannot get business loans from banks; for loans between \$15,000 and \$25,000 must have proof of denial from two banks
<b>Fees:</b>	\$50 Application fee; technical assistance fee: 1% of the loan, up to \$100; closing costs
<b>Contact:</b>	Enterprise Development Corporation 9030 Hocking Hills Drive The Plains, Ohio 45780  Zanesville-Muskingum County Chamber of Commerce 205 North Fifth Street Zanesville, OH 43701 phone: 740/455-8282• fax: 740/454-2963

## Regional / OMEGA revolving Loan Fund

<b>Type of Loan:</b>	Direct loan to business
<b>Eligible Businesses:</b>	Retail, commercial, manufacturing, distribution or service
<b>Use:</b>	Land acquisition and improvements, purchase or remodeling of a building, construction of or addition to a building, purchase machinery or equipment, limited working capital, start-up capital
<b>Maximum:</b>	One-third of project cost, up to \$75,000
<b>Term:</b>	Useful life of machinery and equipment; up to 20 years for real estate
<b>Rates:</b>	Normally ranges from four percent (4%) to six percent (6%)
<b>Equity:</b>	Minimum 10% equity investment for existing businesses; 20% equity for start-up businesses
<b>Job Creation:</b>	One job for each \$25,000 of RLF financing
<b>Fees:</b>	Loan origination fee (\$100); loan processing fee (\$250); 1% servicing fee
<b>Contact:</b>	Ohio Mid-Eastern Governments Association 326 Highland Avenue, PO Box 130 Cambridge, OH 43725 phone: 740/439-4471 • 1-800-726-6342

## Regional / Pioneer Rural Loan Program

<b>Type of Loan:</b>	Direct loan to business
<b>Eligible Business:</b>	Primarily manufacturing and distribution businesses
<b>Use:</b>	Land acquisition and improvements, purchase or remodeling of a building, construction of or addition to a building, purchase machinery or equipment
<b>Maximum:</b>	75% of project cost up to \$350,000
<b>Term:</b>	Up to 15 years for real estate and 10 years for machinery
<b>Rates:</b>	Negotiable, not greater than half the prime rate
<b>Equity:</b>	Minimum 10% equity investment
<b>Job Creation:</b>	One job for each \$35,000 of Pioneer Rural Loan funding
<b>Fees:</b>	Application fee; up-front processing: 1.5%; annual: .25% servicing fee
<b>Contact:</b>	Community Capital Development Corporation 900 Michigan Avenue Columbus, OH 43215-1165 phone: 614/645-6171 • fax: 614/645-8588

## Rural Economic & Community Development Revolving Loan

<b>Type of Loan:</b>	Direct loan to business
<b>Eligible Businesses:</b>	Retail, commercial, manufacturing, distribution or service
<b>Size Standards:</b>	Must have 500 or fewer employees
<b>Use:</b>	Land acquisition and improvements, purchase or remodeling of a building, construction of or addition to a building, purchase of machinery or equipment, leasehold improvements, inventory, working capital, start-up operational costs
<b>Maximum:</b>	75% of project cost, up to \$150,000
<b>Term:</b>	Useful life (up to seven years) when purchasing equipment; up to 15 years when purchasing real estate with loan proceeds
<b>Rates:</b>	Prime rate plus 2%, may match lender rate
<b>Equity:</b>	Prefer a 5% minimum
<b>Bank Loan:</b>	Participation is initially (25% - 50%) by traditional lender or Non-EDC source; the Revolving Loan Fund is used for gap financing
<b>Fees:</b>	Application fee, \$200; closing fees, 2% of total loan amount; all applicable closing costs
<b>Contact:</b>	Enterprise Development Corporation 9030 Hocking Hills Drive The Plains, Ohio 45780

## City of Zanesville Revolving Loan Fund

- Type of Loan:** Direct loan to business
- Eligible Businesses:** Retail, commercial, manufacturing, distribution or service; must be located within the City of Zanesville
- Use:** Land acquisition and improvements, construction, machinery and equipment and limited working capital
- Maximum:** Up to \$100,000; subject to availability of funds
- Term:** Useful life of underlying property; real estate up to 30 years; for every \$1 of RLF, at least \$1 of other funding must be obtained.
- Rates:** 4% to 6% financing rate
- Job Creation:** One full time job for every \$25,000 of RLF funding; job creation must take place within 12 months of the project; a minimum of 51% of the jobs created must be made available to persons of low or moderate incomes
- Fees:** Application fee required
- Contact:** Community Development Department  
City of Zanesville  
401 Market Street  
Zanesville, OH 43701  
phone: 740/455-0612 • fax: 740/452-2596

## Port Authority Tax Exempt Bonds

- Type of Loan:** Financing of business enterprises
- Eligible Businesses:** Retail, commercial, manufacturing, distribution or service.
- Maximum:**
- Term:** Flexible; based upon repayment ability
- Rates:** 6% to 9% financing rate
- Job Creation:** None
- Fees:** Administration fee to Port Authority
- Contact:** Zanesville-Muskingum County Port Authority  
205 North Fifth Street  
Zanesville, OH 43701  
phone: 740/455-0742 • Online: [www.zmcport.com](http://www.zmcport.com)

## Community Reinvestment Area

**Program:** Muskingum County currently has 4 existing Community Reinvestment Areas – Brighton, Greenwood, Downtown and the Putnam Historic District

**Eligible Businesses:** Commercial, industrial, manufacturing, wholesale, distribution, retail; residential projects are also eligible for this program

**Benefits:** Up to 100% abatement of real property taxes for a period of up to 15 years

**Eligible Assets:** Real property (only improved portion)

**Rates/Terms:** Terms vary depending on the type of improvement, residential, commercial or industrial, and the location of property

**Miscellaneous:** Must improve property with new construction or renovation of existing structure; must certify project prior to beginning project

**Contact:** Community Development Department  
City of Zanesville  
401 Market Street  
Zanesville, OH 43701  
phone: 740/455-0612 • fax: 740/452-2596

Zanesville-Muskingum County Port Authority  
205 North Fifth Street  
Zanesville, OH 43701  
phone: 740/455-0742 • Online: [zmcport.com](http://zmcport.com)

## Enterprise Zone Program

- Program:** Business must establish, expand or renovate a facility within the established enterprise zone boundaries; program is designed to promote investment and create or retain employment opportunities within the designated enterprise zones
- Maximum:** Within an incorporated area, up to 75% abatement on real property taxes for up to 10 years; within an unincorporated area, up to 60% abatement on real property taxes for up to 10 years; these maximum limits may be exceeded pending formal approval by the affected local board of education
- Eligible Assets:** New construction or improvements to real property; existing assets and taxes are not eligible for abatement
- Rate/Terms:** Negotiable
- Fees:** \$500 application fee; annual monitoring fee has been waived
- Contact:** Zanesville-Muskingum County Port Authority  
205 North Fifth Street  
Zanesville, OH 43701  
Online: [zmcport.com](http://zmcport.com)

## Zanesville Downtown Housing & Property Loan Fund

<b>Type of Loan:</b>	Direct loan to business or individual
<b>Eligible Businesses:</b>	Retail, office, rental apartments, and mixed residential; must be located within the City of Zanesville's Downtown
<b>Use:</b>	Building construction, structural renovations
<b>Maximum:</b>	Up to \$200,000; subject to availability of funds
<b>Term:</b>	Maximum term is 10 years with 20 amortization
<b>Rates:</b>	Prime or T bill plus 2.0%
<b>Process:</b>	Applicant will submit plans and complete application at the Zanesville Downtown Association office for preliminary approval; following approval, the Downtown Association will submit the loan application to the five participating banks' loan committee for approval; following bank approval, plans must be submitted to the Zanesville Downtown Design Review Board for approval.
<b>Contact:</b>	Zanesville-Muskingum County Chamber of Commerce 205 North Fifth Street Zanesville, OH 43701 phone: 740/455-8282 • fax: 740/454-2963

## Zanesville Downtown Right Loan Facade Program

<b>Type of Loan:</b>	Direct loan to business or individual – 50% of loan amount provided by the City of Zanesville and 50% by participating local banks
<b>Eligible Businesses:</b>	Retail, office, rental apartments, and mixed residential; must be located within the City of Zanesville's Downtown
<b>Use:</b>	Building exterior renovation; lighting, siding, painting, fencing, landscaping, signage, awnings, windows, fire escapes, bring replacement and tuck-pointing, roofing, doors, and the removal of inappropriate alterations and other façade enhancements
<b>Loan Amount:</b>	Between \$2,000 and \$20,000; subject to availability of funds
<b>Term:</b>	Variable, ranging from 1 to 5 years
<b>Rates:</b>	Fixed, but blended; partially based upon the 5-year Treasury Securities Rate rounded to the nearest 1/8%
<b>Process:</b>	Applicant will submit plans and complete application at the Zanesville Downtown Association office for preliminary approval; following approval, the Downtown Association will submit the loan application to the five participating banks' loan committee for approval; following bank approval, plans must be submitted to the Zanesville Downtown Design Review Board for approval.
<b>Contact:</b>	Zanesville-Muskingum County Chamber of Commerce 205 North Fifth Street Zanesville, OH 43701 phone: 740/455-8282 • fax: 740/454-2963

## Muskingum County Business Incubator

### Mission

Our mission is to provide a positive economic impact for Muskingum County and our region, by providing intensive services and support to entrepreneurs in order to improve their chances for success and rate of growth.

### Business Assistance

Thanks to our partnerships with the Small Business Development Center and the Voinovich School of Leadership and Public Affairs, we can offer business assistance to businesses of all sizes and in all phases of development. Our residential clients benefit from idea sharing and mutual support from other tenants. Our affiliate clients benefit from networking and mentoring from area business leaders. And our community benefits from the increased revenue that new businesses both create and provide.

### History

MCBI came to Zanesville in 2004, thanks to the efforts of Larry Triplett, chairman of the board and president of Resource Systems in New Concord, Tom Poorman, president of the Zanesville-Muskingum County Chamber of Commerce, and Gary Lambert, executive director of the incubator committee. Thanks to Bob Kessler, owner of the Heritage building on Fifth Street, MCBI opened the doors to its very own office space at 56 N. Fifth Street in 2005. Carol Humphreys also joined MCBI as director. Since then, MCBI has helped 25 businesses jumpstart their success and directed another 300 inquiries to the appropriate community resource.

### Services

MCBI offers several programs to help entrepreneurs build their businesses, ranging from free seminars to full-service residential space.

### Affiliate Client Program (Business Assistance)

Affiliate clients receive the following benefits:

- Workshops on the 3rd Tuesday of each month on the following topics
  - Planning, Setting and Executing Goals
  - Setting up Your Own Business Office
  - Human Resource Challenges
  - Setting Your Prices
  - Understanding Cash Flow
  - Small Business Taxes and Benefits
  - What you Need to Know about a Web Site
  - Computer Security and IT Devices
  - What Records Do You Need to Keep?
  - Developing a Marketing Plan
  - Sales Strategies

- Scheduled monthly counseling sessions
- Introduction to mentors in the business community
- One-year membership in the Zanesville/Muskingum County Chamber of Commerce

### **Residential Client Program (Business Assistance & Office Space)**

Residential clients receive the following benefits:

- Affordable office or production space in the incubator, with office equipment (fax, copier), conference room and high-speed internet included
- Mentoring by successful business owners and executives
- Basic business office services
- Business counseling and management assistance
- Business planning, financing advice, angel investment and venture capital information
- Idea sharing and mutual support from other incubator tenants
- Membership in the Chamber of Commerce
- All the features and benefits of the Affiliate Client Program, listed below

### **Entrepreneurial Training Program & Business Plan Competition**

The Entrepreneurial Training Program is an eight-week business course that guides participants in creating a comprehensive business plan. Topics covered include setting realistic goals, predicting cash flow, establishing a budget and identifying the target market.

Graduates of the program can enter their business plans in the annual Business Plan Competition sponsored by MCBI and the Small Business Development Center. The best business plans in the technology and non-technology categories will win cash prizes and other incentives. Check our [events](#) page at a later date for further details, or visit our [news archives](#) to read about past Business Plan Competitions.

### **Free Programs**

- Consultation and referral to the appropriate program or partner organization
- Entrepreneurship I.N.C. workshops presented by the Small Business Development Center

## Ohio / Incumbent Workforce Training Program

### **Goal:**

The goal of the Incumbent Workforce Training Program is to assist Ohio businesses in remaining competitive and increasing investment in incumbent worker training, retaining employees, advancing wages over time, and acquiring generally recognized credentials to document skill gains.

### **Total Funds:**

Funding will be through the federal Workforce Investment Act allocation made to the state of Ohio. Six million dollars will be available during State Fiscal Year 2008 and nine million dollars will be available during State Fiscal Year 2009.

### **Grant Award Ceiling:**

Grants will be up to \$1,000 per employee trained and capped at \$200,000 per business or trainer based on the actual cost of training. Grants are disbursed on a reimbursement basis for 50% of the cost of direct training. The division must make at least 25% of the grants each fiscal year to businesses engaged primarily in activities other than manufacturing and with fewer than 500 employees. The funding agreement will be between the recipient business and the designated local workforce investment board.

### **Eligible Recipients:**

Ohio businesses and, in limited circumstances, a trainer where the trainer is delivering the same eligible training to more than one company as part of a common or shared training plan.

### **Eligible Activities:**

Training for incumbent workers that upgrade skills and knowledge. The training must have common acceptance as a skill required for a particular industry over and above an entry level skill. 25% of the funding in each fiscal year will be reserved for businesses engaged primarily in activities other than manufacturing and with fewer than 500 employees. Up to 10% of the award may be used to fund curriculum development.

### **Application Timing:**

Beginning March 1, 2008, applications will be accepted on an on-going basis until funds are exhausted



## Additional Financing & Incentives Contacts

[www.connectohio.com](http://www.connectohio.com) – The Ohio Department of Development provides a web site with comprehensive information about state incentive and financing programs. Programs can also be found at [www.odod.state.oh.us](http://www.odod.state.oh.us).

[www.sba.gov](http://www.sba.gov) – The U.S. Small Business Administration also provides a high quality web site packed with information about federal incentive programs at [www.sba.gov](http://www.sba.gov). Information about the business expansion and start up process is also provided.

Zanesville-Muskingum County Chamber of Commerce - Chamber staff can assist with information about accessing financing programs, preparing loan requests and making plans to start or expand a business. Visit our web site at [www.zmchamber.com](http://www.zmchamber.com).

Zanesville-Muskingum County Port Authority – Port Authority staff can assist with applications for incentive programs including Enterprise Zone exemptions, state and local programs. The Authority can be emailed at [info@zmcport.com](mailto:info@zmcport.com).

Rea & Associates, Inc. – [www.reacpa.com](http://www.reacpa.com)



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Caution: Information within this guide is subject to change and revision. Additional information, including the counsel of financial and legal professionals, should be sought prior to utilizing any of the programs described in this publication.