



## WILLOUGHBY INCENTIVE GRANT PROGRAM

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The Willoughby Incentive Grant Program is a performance-based grant program that encourages business attraction and expansion. The Willoughby Incentive Grant can be used in combination with local Community Reinvestment Area (CRA) programs, Lake County Revolving Loan programs, SBA 504 Financing, State and Jobs Ohio incentives.

The Ohio Revised Code (718.15 & 718.15.1) states that municipal corporations may grant a credit against its tax on income to a taxpayer that also received a tax credit under section 122.17 of the Revised Code. If a tax is granted under these sections, it shall be measured as a percentage of the income tax revenue derived from new or retained employees of the taxpayer and shall be for a term not to exceed 10 years. Before the municipality passes an ordinance allowing such a credit, the municipality and the taxpayer shall enter into an agreement specifying all the conditions of the credit.

### Eligibility and Criteria:

- Office or Manufacturing firms that create new payroll in the City of Willoughby and have NOT applied for or received Enterprise Zone Tax Abatement may be eligible for the income tax credit.
- New payroll does not include transfers from affiliated companies within Willoughby. Businesses new to the City of Willoughby and current businesses that are expanding payroll are eligible to participate.
- Businesses shall demonstrate with documentation that receiving the Incentive Grant is a contributing factor in the businesses decision to locate here or proceed with an expansion project.
- The Department of Economic Development and Mayor will examine the level of investment and the proposed increase in income tax dollars to determine the percentage and term of the Incentive Grant.
- Willoughby Incentive Grants are established by an agreement between the business and the City of Willoughby in accordance with suggested guidelines, City analysis, and subject to review and approval by Willoughby City Council.
- Grant recipients are required to join the Willoughby Area Chamber of Commerce for the term of the grant and encouraged to purchase goods and services within the City of Willoughby to the extent practical.

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### GUIDELINES

The Willoughby Incentive Grant is calculated annually by multiplying the WIG tax credit percentage against the amount of payroll taxes paid to the City of Willoughby in a prescribed year. For existing Willoughby businesses, the annual grant is calculated on only the portion of new payroll created over a predetermined base payroll during the prescribed term of the agreement.

New Annual Payroll	Income Tax Credit	Years*
Up To \$1,500,000	20%	3
\$1,500,001 - 2,250,000	30%	3-4
\$2,250,001 – 3,000,000	40%	4
\$3,000,001 +	50%	4-5

The City of Willoughby retains the right to negotiate different terms and percentages for special projects with Willoughby City Council approval.

#### WILLOUGHBY INCENTIVE GRANT CALCULATION EXAMPLE

New Payroll Created by Business	=	\$2,500,000
New Payroll Tax Paid by Business	=	\$50,000 Annually
WIG GRANT Percentage	=	40% (Grant = 40% of new payroll taxes paid)
Dollar Amount of Grant	=	\$20,000 Annually
Term	=	4 years
Total Grant	=	\$80,000

#### FOR ADDITIONAL INFORMATION CONTACT

Thomas W. Thielman, Economic Development Director

[tthielman@willoughbyohio.com](mailto:tthielman@willoughbyohio.com)

#### Community & Economic Development Department

One Public Square

Willoughby, Ohio 44094

Phone: 440-953-4191

[www.willoughbyohio.com](http://www.willoughbyohio.com)

**WILLOUGHBY INCENTIVE GRANT APPLICATION**

Business Name: \_\_\_\_\_

Current Address: \_\_\_\_\_ City: \_\_\_\_\_

State/Zip: \_\_\_\_\_ Phone: \_\_\_\_\_

Web: \_\_\_\_\_ NAICS Code: \_\_\_\_\_

Contact Name: \_\_\_\_\_ Phone: \_\_\_\_\_

Email: \_\_\_\_\_ Fax: \_\_\_\_\_

Location of Parent Company (if applicable): \_\_\_\_\_

If Relocation, from WHERE: \_\_\_\_\_

**BUSINESS INFORMATION**

Briefly Describe Type of Business: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_ Year Established: \_\_\_\_\_

Primary Product(s)/Service(s): \_\_\_\_\_

**PROJECT DESCRIPTION**

Briefly describe proposed project, including costs (i.e. building purchase, renovation, expansion, or new construction, equipment purchase, cost of lease, length of lease, and all other costs applicable to the project). Additional documents may be attached.

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

**PROJECT COSTS**

Total Project Cost: \$ \_\_\_\_\_

Land, Bldg, Renovation, & New Construction: \$ \_\_\_\_\_

Machinery & Equipment: \$ \_\_\_\_\_

Other: \$ \_\_\_\_\_

**CURRENT PAYROLL & PROJECTIONS/COMMITMENTS**

Payroll for the Current Year: \$ \_\_\_\_\_

Payroll for Previous Two (2) Years: \$ \_\_\_\_\_

Number of Employees Current: # \_\_\_\_\_

Number of Employees Previous Two (2) Years: # \_\_\_\_\_

Projected Payroll when Project Completed: \$ \_\_\_\_\_

Projected Payroll for Subsequent Year(s):

20\_\_\_\_, \$ \_\_\_\_\_                      20\_\_\_\_, \$ \_\_\_\_\_                      20\_\_\_\_, \$ \_\_\_\_\_

20\_\_\_\_, \$ \_\_\_\_\_                      20\_\_\_\_, \$ \_\_\_\_\_                      20\_\_\_\_, \$ \_\_\_\_\_

**EXPLANATION OF NEED**

Amount of Tax Credit Requested:                      Percent \_\_\_\_\_                      Term \_\_\_\_\_

Please provide a brief explanation as to why receiving the tax credit is a major factor in the company's decision to go forward with the project at the proposed site and summarize all other State & Local Assistance requested or granted.

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**“But for” the City’s assistance the project may not proceed.**

\_\_\_\_\_  
(Print Name, Title)

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Date)