

**CITY OF CANTON
ECONOMIC GROWTH INITIATIVE
POLICY
FACT SHEET**

Mission Statement

The mission of the Economic Growth Initiative is to encourage economic growth in the City of Canton. The core objective of the program is to promote and expand economic growth and vitality of the City of Canton. Growth will be achieved by focusing on new growth, through business retention and/or expansion efforts and new business recruitment to the City of Canton.

The Economic Growth Initiative will consist of two (2) cash based programs for enterprises that are expanding or relocating within the City of Canton. These initiatives will consist of a “Job Creation Incentive Program” and the “Net Profit Tax Incentive Program”.

A. Job Creation Incentive Program:

The mission of the Job Creation Incentive Program is to expand the tax base of the City of Canton by creating jobs for City residents and making the City competitive within the State of Ohio and the region.

The City of Canton shall provide a yearly payment to an enterprise up to 50% of the employee’s 2% income tax withholdings that are paid to the City of Canton. An enterprise must relocate new jobs to the City of Canton or create “net new jobs”. The term of this incentive shall not exceed five (5) years.

Basic Eligibility Requirements:

1. Eligible enterprises include new or existing businesses within the City of Canton.
2. Enterprise must create or relocate a minimum of ten (10) “net new jobs”.
3. “Net new jobs” must be from new or existing enterprises relocating or expanding within the City of Canton.
4. Applicant must apply for the incentive prior to expanding the business, signing a lease, constructing a new facility, annexing or purchasing a building within the City of Canton.

B. Net Profit Tax Incentive Program:

The mission of the Net Profit Tax Incentive Program is to expand the City's tax base by recruiting new businesses to the City. Any enterprise that relocates to the City of Canton will be eligible for a yearly payment up to 50% of the "net profits tax" that are paid to the City of Canton. The term of this incentive shall not exceed five (5) years.

Basic Eligibility Requirements:

1. Only enterprises that are relocating to the City of Canton are eligible for this program.
2. The program shall be limited to employers that are subject to the City of Canton's 2% net profit income tax.
3. Enterprise must relocate a minimum of ten (10) new jobs to the City of Canton.
4. Applicant must apply for the incentive prior to signing a lease, constructing a new facility, annexing or purchasing a building within the City of Canton.

**TERMS & CONDITIONS
ECONOMIC GROWTH INITIATIVE
POLICY**

Term & Payment:

1. An enterprise must be in the EGI program for one full year prior to any payment being made.
2. The term & payment for “new jobs”, “net new jobs” created or on net profits shall begin January 1 of the next calendar year.
 - a. Job Creation Incentive Program- Payment shall be made by June 1 of each year on paid withholding taxes net of refunds.
 - b. Net Profit Tax Incentive Program-Payment shall be made by June 1 of each year or 45 days after filing a City of Canton net profits tax return, on paid net profit taxes.

Example- If an enterprise is granted an EGI incentive in January 1, 2006, the first payment shall be June 1, 2007.

3. All taxes that are due must be paid prior to an enterprise receiving payment.

“Net New Job” Definition:

For the purposes of these programs a "net new job" means a full-time employee first employed by an enterprise after the enterprise enters into the Job Creation Incentive program.

"Net new job" does not include an employee if, immediately prior to being employed by the enterprise, the employee was employed by another enterprise that is a related member or predecessor enterprise of that enterprise.

“Net new job” does not include an employee who was previously employed by the enterprise within the last two years. This means an employee who was laid off will not be considered a “net new job”.

Retention & Expansion by Existing City of Canton Enterprises:

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

Application Process:

1. Prior to expanding a business, signing a lease or purchasing a building in the City of Canton an interested company must submit a completed City of Canton Job Creation Incentive Program application.
2. All enterprises shall provide along with the application a complete employee roster dated the same as the application that will be submitted.
3. If the project is considered “new business recruitment” the enterprise shall as a part of the application process provide current information as to the number of employees employed by the organization that reside in the City of Canton prior to relocation.
4. The Community Economic Development & Planning Department will review the application and make recommendation to City Council for Approval.
5. Canton City Council will have the authority to approve each project.
6. Once Canton City Council approves the application, the applicant will need to sign a lease or complete the purchase of a building to validate the agreement.

Verification & Progress Reports:

Required information to verify employment data:

1. An annual progress report documenting the number of employees and payroll at the incentive site as well as citywide signed by the employer’s Chief Financial Officer.
2. A copy of the enterprise’s municipal tax return shall be provided.
3. This information shall be compared to base year figures and projected new employment and payroll from the original contract to verify performance and determine the incentive amount for that year.
4. The City of Canton reserves the right to require an independent audit of the employer’s employment, payroll and tax records to verify reported figures at the employer’s expense.

Program Duration:

This program will end in December 31, 2011.

Program Oversight:

1. A committee including a representative from City Council, Mayor's Office, Community Economic Development & Planning Department, the Treasurer's Office and the Chamber of Commerce shall meet annually and review all enterprises that are in the program and make a recommendation accordingly.
2. At this annual meeting the Director of Community Economic Development & Planning Department shall present an annual progress report to the committee and to City Council.