



**OHIO ENTERPRISE ZONE PROGRAM 2012 ANNUAL REPORT
INSTRUCTIONS AND GUIDELINES
(O.R.C. SECTION 5709.69 (A) (1-7))**

The 2012 Ohio Enterprise Zone (EZ) Annual Report consists of two types of reports: Specific EZ Agreement/Project Status Reports and a Zone Report.

The Specific EZ Agreement/Project Status Report examines the performance of individual enterprises receiving EZ benefits. The local government and/or business must complete a copy of this report for each active EZ Agreement. Much of the information necessary for this report may be available from existing records assuming the Tax Incentive Review Council (TIRC) has reviewed each agreement within the past year. Once an EZ Manager has received a completed report back from a business receiving EZ benefits, the EZ Manager must enter this data into the Ohio Development Services Agency's (Development) EZ Annual Report Module. This module can be found at <http://development.ohio.gov/EZAnnualReports/SignIn.aspx>. This site can also be accessed from the EZ web page at http://development.ohio.gov/bs/bs_oezp.htm by clicking "Annual Reports" in the left column of the page.

The Zone report can only be completed after all of the Specific EZ Agreement/Project Status Reports have been filed. This Zone report seeks two types of information. First, EZ Managers must provide information pertaining to the creation/amendment of the EZ and its characteristics, independent of actual project information. This portion of the report will also require the EZ Manager to update his/her contact information. Second, EZ Managers must provide an aggregation of EZ project data including the TIRC activities, job information, and relocation issues.

All EZs with authority to enter into agreements having been certified prior to December 31, 2012 **must** submit a complete and accurate report, **regardless** of whether any new activities or agreements have transpired since the last report or inception. All questions are required and must be completed. Incomplete reports are subject to the penalty provision of Ohio Revised Code (ORC) Section 5709.68(B).

The following text provides line-by-line instructions for filling out the Zone Report. Instructions for how to complete the Specific EZ Agreement/Project Status Report are available at <http://development.ohio.gov/files/bs/2010EZSectionCInstructions.pdf>.

GENERAL ZONE INFORMATION

This section describes zone characteristics and should be completed by the designated zone manager. One copy should be submitted to Development electronically for the **entire zone**, even if the zone includes more than one community. Development has merged available existing zone data into the report. Please review any question that has a printed answer for accuracy. Make any corrections by crossing out an error and supplying the correct information. Information provided in previous years will not be provided for Question #5.

1. Indicate the date that the Director of Development certified the zone. The official date can be found by reviewing the original Zone Certification.
2. Enter the number of persons residing within the boundaries of the EZ according to the most recent data available. This should be the zone population figure submitted on the most recent Petition for Zone Certification.
3. List all dates the zone was amended (ie. a boundary change or additional communities added). Also list any community added to the zone because of a specific amendment. The official amendment date can be found by reviewing the Amended Certification(s). Communities added to the zone can be identified within the Amended Certification text.
4. List all communities that make up the zone (townships, villages, and cities), including the original participants as well as those added via amendment. A list of participating communities has been included for review. Please make adjustments if necessary.

- 5-9. Enter various contact information for the EZ Manager including a valid email address. Development will publicly post all information entered so that businesses may contact the local community to discuss new projects. Development will also use this information to correspond with the local community. Please take care to correctly enter this information. In addition, this year Development will request that each EZ Manager select a “secret question” and provide an answer to that “secret question.” This information is being collected to facilitate electronic retrieval of your password next year (and in future years) should you misplace it. Development was careful in selecting “secret questions” that did not ask for confidential information that might infringe upon your privacy rights or increase the risk of identity theft or other harm against you. Despite these precautions, do not provide an answer to the "secret question" that you use or your organization uses commonly as a password for sensitive items (banking, email, etc.). Development believes that this new service will increase our customer service and make the annual reporting process more secure, as well as makes it easier to complete and file.

AGGREGATE EZ AGREEMENT INFORMATION

The zone manager should complete this section once all the appropriate information has been gathered. Again, this section may not be finalized until all Specific EZ Agreement/Project Status Reports have been filed. The Zone Report can be submitted electronically more than one time, so you may update your submission if necessary. Development will use the final submitted copy of the Zone Report if multiple reports have been filed.

1. Enter the number of EZ project agreements that have been **executed** between a company and the appropriate local jurisdictions since the inception of the zone. Include only projects where agreements were signed by all relevant parties.
2. Enter the total number of agreements that were in effect as of December 31, 2012. This includes all agreements **executed prior to December 31, 2012, which have not expired or been terminated**. This number is the total number of open agreements eligible for EZ tax incentives at any time during calendar year 2012.
- 3a. Enter the number of businesses that are party to any agreement. If a single agreement includes multiple business participants, list all parties even though it is only one agreement. This number should correlate to the total number of businesses participating in currently open agreements.
- 3b. Enter the number of agreements that involved the expansion of an existing facility within the zone. This includes only those projects where the **expansion occurred at the enterprises’ site of operations**. A move to a new site or the establishment of a facility at an unused facility would not be considered an expansion.
4. Enter the number of agreements legislatively **approved** by the local jurisdiction(s) during 2012. This is the number of agreements approved by resolution/ordinance by the local jurisdiction(s) prior to December 31, 2012. It is not necessary to have executed the agreement. **Note:** In county designated zones, **both** local and county approvals are required for the agreement to be deemed approved.
5. Enter the number of agreements that were executed (**signed**) by **all** appropriate parties and creating an EZ contractual obligation during 2012. A project is **executed** (final) only after all signatures **and** legislative approvals are complete. If all parties did not sign on the same day, the **last** signature date or the last required legislative approval, whichever came last, is used.
- 6a. Enter the number of agreements that **expired** during the past year (2012). Expire is defined as “all tax exemptions, granted to the project, have completed the tax exemption period.” Remember, the exemption period may extend beyond the stated term for an agreement with a multi-year project period. Do not include agreements that may be terminated by local action prior to conclusion of the exemption period.
- 6b. Enter the number of agreements **scheduled to expire** during 2012. See 6a for definition.
- 7a. Enter the number of agreements **reviewed** by the TIRC during the past year (2012). This includes all projects brought before the TIRC, regardless if any formal recommendations were made. Remember the TIRC is required by law to review each project annually. Any review (discussion) of a project agreement should be noted in the TIRC minutes. **Administrative Rule 122:4-1-08 requires a copy of the TIRC minutes and recommendations to be submitted to Development.**

- 7b. Of the agreements reviewed by the TIRC, how many were determined to be in **compliance** with the EZ Agreement?
- 7c. Of the agreements reviewed by the TIRC, how many were determined to be in **non-compliance** with the EZ Agreement? **Note:** A finding of non-compliance does not require a recommendation of termination.
- 7d. Upon review, for how many agreements did the TIRC make formal recommendations to the local legislative authority(s) concerning the compliance determination? The recommendation must be in writing and support a course of action (continue, modify, or terminate).
- 7e. If the TIRC made formal recommendations to the local legislative authority(s), how many of those recommendations were not followed by the local legislative authority (the local legislative authority opted not to conform to the recommendation and chose an alternate course of action)?
- 7f. Enter the total number of EZ Agreements the local legislative authority formally canceled or terminated during calendar year 2012. Only legislative action of a party that has signed the agreement can formally rescind or modify an agreement. Development suggests each local jurisdiction party to an agreement take formal action to modify an agreement. Projects that did not go forward or closed operations **are not** automatically canceled. Local legislative authorities should close out these projects. Until such agreements are **formally** rescinded, the project **must** be reviewed and incorporated in the annual reporting material.
- 7g. Enter the number of agreements the legislative authority **modified** during calendar year 2012. Only legislative action of a signature party can formally modify an agreement. Development suggests each local jurisdiction that is a party to an agreement take formal action to modify an agreement.
- 8a. Enter the actual number of full-time permanent (FTP) jobs retained as a result of EZ Agreements within the zone as of December 31, 2012. **Note:** A retained job can only be claimed if it is committed to under the original project agreement. Jobs transferred within Ohio are retained jobs. Those enterprises with multiple EZ Agreements must, for reporting purposes, count a retained job only once. Example: *In 1989 ABC company entered into a 10 year EZ Agreement to retain 1,000 FTP employees. Then in 1993 ABC entered into another EZ Agreement committing to retain 1,000 FTP employees. If the jobs that were committed to retain in 1989 are the same jobs being retained in the 1993 agreement, then for reporting purposes the total retained jobs would be 1,000. Do not count the same retained jobs more than once.*
- If information on part-time permanent (PTP) jobs is available, the EZ Manager may include these jobs in the report under this question, but be sure to specify the number of FTP jobs and the number of PTP jobs separately.
- 8b. Enter the total number of new FTP jobs created that were directly attributable to projects that received EZ benefits as of December 31, 2012. **Note:** The same job **cannot** be counted as created for two projects (see 8a above). Remember: jobs transferred within Ohio to the project site are retained jobs. Jobs that did not exist in Ohio before the project are “new” jobs. Again, the EZ Manager may include information on PTP jobs if available but list separately.
- 8c. Enter the total number of FTP jobs committed to and actually retained as of December 31, 2012 plus the number of new FTP jobs in place as a result of the project agreement on December 31, 2012. Add the answer to question 8a to the answer to question 8b. The EZ Manager may include information on the total number of PTP jobs created and retained separately.
- 9a. Enter the total number of businesses subject to EZ Agreements that **closed operations or reduced employment** at any facility within Ohio as a result of the EZ Project (see Specific EZ Agreement/Project Status Report, question 5a).
- 9b. Enter the total number of Enterprises subject to agreements that closed operations or reduced employment at any location **outside** the State of Ohio as a result of the EZ Project (see Specific EZ Agreement/Project Status Report, question 5b).

10. Enter the total number of FTP employees transferred and retained within Ohio as a result of the EZ Agreement. This number should correspond to the EZ Agreements covered in question 9a above (see also Specific EZ Agreement/Project Status Report, question 5a).