

## Economic Development (ED) 101-Connect

### Tools in the Toolbox

#### Enterprise Zone

The Ohio Enterprise Zone (EZ) 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. The original purpose of the program was to encourage businesses to establish, expand, renovate, and occupy facilities and to create jobs within economically distressed areas.

Urban, suburban, and rural communities all use Enterprise Zones to promote economic growth.

#### Types of Enterprise Zones

The State of Ohio permits two types of enterprise zones: limited and full authority.

In a limited authority enterprise zone, the area does not need to be economically distressed but does need approval from 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 an issuance of a waiver is absolutely necessary to attract or retain employment opportunities in the State. For more information on relocation waivers, please review pg. 88 of the State's Economic Development Manual.

Full-authority enterprise zones are located in areas of economic distress and do not need a relocation waiver from ODSA.

#### Various Levels of Tax Abatements

Ohio EZ program creates four levels of tax abatements:

- (1) principal city or urban-cluster-city distressed zone;
- (2) principal city or urban-cluster-city nondistressed zone;
- (3) county-designated nondistressed zone; and
- (4) county-designated distressed zone.

The property in question must be located in a distressed zone to be deemed a "full authority" Ohio Enterprise Zone.

#### Local Example of an Enterprise Zone

Located in northern Licking County, Enterprise Zone 202C encompasses areas within Washington Township & the Village of Utica with SR 13 & US 62 intersecting in the zone.

In 2015, Velvet Ice Cream expanded within the zone with a 21,000 sqft freezer facility. This expansion included adding 6 new jobs and retaining 80 existing jobs at their facility just outside of the Village of Utica.

