EXHIBIT A

CITY OF TOLEDO

ENTERPRISE ZONE POLICY

This policy, pursuant to Ordinance No. 94-95 and as amended by Ordinance No. 735-96, 87-01, 794-01, and 307-03 shall govern the City of Toledo’s Enterprise Zone Incentive Program.

1. ELIGIBILITY

Enterprise Zone benefits shall be made available to enterprises for the purpose of establishing, expanding, renovating, or occupying facilities and hiring new employees and preserving jobs within said zones in exchange for local tax incentives granted by the City of Toledo. Enterprise Zone benefits shall be available for projects within the Enterprise Zone, as defined by City Council (the “Enterprise Zone”), and that contribute to the economic welfare of the community. Projects that contribute to the net economic welfare are those that market their goods or service beyond the northwestern Ohio region and thus bring new dollars into the region. Examples of such activities include: manufacturing, research and development, as well as transportation and distribution (other than local).

A business cannot take advantage of both the Enterprise Zone and Community Reinvestment Area (“CRA”) incentives for the same project.

Applicants must certify they are current on all Federal, Ohio, Lucas County, and City of Toledo tax obligations.

2. APPROVAL REPRESENTATIONS

To decide whether to approve the incentive application, the Industrial Development Committee shall consider the following and make a recommendation to City Council:

A. The applicant has any record of significant and final adjudicated violations of criminal, labor or environmental laws;
B. The applicant’s proposed new business or business expansion poses any significant environmental or safety hazard to the community;
C. The applicant allows local suppliers and service providers to compete fairly to supply goods and services to the business;
D. The applicant plans to use area workers for any construction connected to the new business or business expansion; and
E. If the total project construction cost exceeds $200,000 the applicant plans to pay the area’s standard wage for any construction involved with the new business or business expansion.
3. **BENEFITS**

Approved projects shall receive tax exemption on new real and personal property investment in accordance with the following schedule:

Years 1 through 15-----------------------------100%

In return for the 15 year 100% exemption for new real and personal property, the enterprise benefiting from the tax exemption shall make payments to the local school district in which the project is located equivalent to forty-five percent (45%) of the total tax exemption benefit unless otherwise agreed upon between the enterprise and the school district. Said payments shall be made at such time as the real and personal property taxes would have been otherwise paid.

The maximum net savings to the enterprise shall not exceed a ratio, as calculated at the time of the application, of $.50 of total net taxes saved to the enterprise over the term of the tax benefit to $1.00 of new payroll generated or retained over the term of the tax benefit.

The applicant shall enter into an Enterprise Zone Agreement (the “Agreement”) to be eligible for these benefits pursuant to Paragraph 12 below.

4. **SUB-ZONE BENEFITS**

To further enhance development opportunities within the inner-city areas, the City of Toledo has established a Sub-Zone (the "Sub-Zone") in which the project shall be eligible for tax benefits on both real property and personal property improvements. The Sub-Zone is comprised of census tracts 14 (east of Auburn), 22 (west of Franklin and south of Winthrop), 23 (west of Franklin), 24.02, 25 (west of Detroit), 27, 28, 29, 30, 31, 32, 33, 34, 35, 37, 38 and 41.

Within the Sub-Zone, the maximum percentage of value eligible for tax benefits shall be as follows:

Years 1 through 15-----------------------------100%

In return for the 15 year 100% exemption for new real and personal property, the enterprise benefiting from the tax exemption shall make payments to the local school district in which the project is located equivalent to thirty-five percent (35%) of the total tax exemption benefit unless otherwise agreed upon between the enterprise and the school district. Said payments shall be made at such time as the real and personal property taxes would have been otherwise paid.

The maximum net savings to the enterprise shall not exceed a ratio, as calculated at the time of the application, of $.50 of total net taxes saved to the enterprise over
the term of the tax benefits to $1.00 of new payroll generated or retained over the term of the tax benefits.

5. **JOB REQUIREMENTS**

The applying business shall be required to provide an estimate of the number and type of jobs to be created or retained by the project and the expected payroll to be generated. Applicants projecting job creation shall be required to list all job openings with “The Source” concerning job opportunities and to give fair consideration to applicants referred by “The Source.”

As required by state law, twenty-five percent (25%) of the qualifying new employees hired as a result of the Agreement must meet at least one of the following criteria at the time of hire:

A. Residents of Lucas County who have been unemployed for at least six months and who have been residents of Lucas County during that period;
B. Residents of the Enterprise Zone for at least one year;
C. Residents of Lucas County for at least six months who are recipients of unemployment compensation, Temporary Aid to Needy Families or general relief; or
D. Handicapped persons who have been residents of Lucas County for six months.

At least 10% of all new employees must, at the time of their employment, be residents of the Hiring Priority Area (see attached map), which is the area bounded by Lagrange Street from the Maumee River north to Central Avenue, Central Avenue west to Cherry Street, North to Haverhill, Haverhill north to Jeep Parkway, Jeep Parkway south to the Ottawa River, the Ottawa River south to Torrey Hill Drive extended, Torrey Hill Drive extended south to Bancroft Street, Bancroft Street west to Parkside Boulevard, Parkside Boulevard south to Hill Avenue, Hill Avenue east to Fearing Boulevard, Fearing Boulevard south to Detroit Avenue, Detroit Avenue south to South Avenue, South Avenue east to its intersection with I-75, east along a line from the intersection of South Avenue and I-75, across the Maumee River to the intersection of Miami Street and Navarre Avenue, Navarre Avenue east to East Broadway, East Broadway north to Morrison Drive, Morrison Drive north to its intersection with Front Street, north along a line from the intersection of Morrison Drive and Front, across the Maumee River to Lagrange Street. For good cause shown and upon the recommendation of the Industrial Development Committee, City Council may waive this requirement.

During the entire term of the tax benefits, in construction and operation of the facility the enterprise shall not discriminate against any employee or applicant for employment because of race, color, religion, sex or national origin and the
enterprise will take affirmative action to ensure the applicants are employed, and the employees are treated during employment, without regard to race, color, religion, sex or national origin. In this regard, during the term of the tax benefits, the enterprise will maintain an active program to ensure compliance with the above-mentioned requirements of equal employment opportunity and affirmative action.

6. **MONITORING COMPLIANCE**

During the incentive period, the Tax Incentive Review Council ("TIRC"), as appointed from time to time in accordance with ORC Section 5709.85, as follows herein, shall audit the business at least annually with respect to its investment, job creation/retention goals and payments to school districts. Payroll and other business records necessary to conduct a fair review of such performance shall be made available to the TIRC through the City of Toledo’s Department of Neighborhoods during normal business hours.

ORC Section 5709.85 sets forth the composition of the TIRC. The TIRC shall include the following:

A. The Chief Executive Officer or his designee;
B. A member of the legislative authority of the municipal corporation, appointed by the president of the legislative authority or, if the chief executive officer of the municipal corporation is the president, appointed by the president pro tempore of the legislative authority;
C. The County Auditor or his designee;
D. The Chief Financial Officer of the municipal corporation or his designee;
E. An individual appointed by the board of education of each city, local, exempted village, and joint vocational school district to which the instrument granting the exemption applies; and
F. Two members of the public appointed by the chief executive officer of the municipal corporation with the concurrence of the legislative authority.

Note that at least four members of the TIRC must be residents of the municipal corporation and that at least one of the two public members must be a minority.

The TIRC shall make a recommendation to the Mayor and City Council as to the compliance and recommend reduction or termination of benefits. The Mayor and City Council are the final determining bodies as to any reduction or termination of benefits.

7.
DINOSAUR BUILDINGS

Projects being undertaken in a “dinosaur building” shall receive the same level of benefits and be subject to the same conditions as projects located within the Sub-Zone.

A dinosaur building is defined as one in which more than 50% of the floor area is more than 50 years of age. To be eligible for tax benefits, the building in which the business operates must either be owned by the applicant or must have a minimum three-year lease to operate in the building. If the applicant is a lessee, the term of the tax benefits shall be no longer than the term of the lease.

8. ASSIGNABILITY

An Agreement shall be assignable to a new owner(s) upon the new owner’s written acceptance of all of the terms and conditions of the agreement and express written approval of the City of Toledo.

9. TERMINATION

A. Agreements will be modified or terminated by the Mayor and City Council upon any of the following conditions:
   a. Misrepresentation of any material facts in the application for Enterprise Zone incentives;
   b. Significant failure to achieve investment and job creation goals as contained in the Agreement;
   c. Failure to comply with requests for monitoring data necessary to allow the TIRC to evaluate compliance with the terms of the Agreement;
   d. Subsequent transfer of a significant percentage of jobs to employment areas outside of the City of Toledo;
   e. Significant and final adjudicated violations of criminal, labor or environmental laws; or
   f. Failure to pay the monitoring fee pursuant to paragraph 11.

B. An Agreement that grants tax benefits will automatically terminate for failure to pay obligations to the school district, as set forth in the Agreement.

10. APPROVAL RECOMMENDATIONS

The Mayor shall appoint, with the approval of City Council, members of the City's Industrial Development Committee, which shall include representatives from the City of Toledo, business, labor, the Toledo Public Schools and the
Washington Local Schools. The Committee shall review all Enterprise Zone incentive applications and shall make recommendations to City Council.

11. APPLICATION AND MONITORING FEE

Businesses wishing to apply for Enterprise Zone incentives shall pay a fee equal to one percent (1%) of the first year’s projected tax savings, up to a maximum of $2,500. The minimum application fee shall be $750 to cover the costs associated with review and processing the application. Additionally, businesses that are granted tax benefits shall be assessed an annual fee equal to the greater of one percent (1%) of the taxes saved or $500, up to a maximum of $2,500 per year, to provide for the cost of monitoring and record-keeping. Fees collected shall be deposited to Fund 83.

12. CONTRACT TERMS

The terms and conditions of any Agreement between the City of Toledo and the applicant shall be embodied in a written, enforceable contract.