



JobsOhio Small Business Grant Program Guidelines

The Jobs Ohio Small Business Grant (JOSBG) was developed to provide additional financial support for projects that meet program guidelines and are in qualifying zip codes and/or for businesses owned by eligible populations across the state.

Program Details:

- Available funding through the program will be capped at \$8MM annually.
- Projects may be eligible for up to \$50,000 in funding support.
- Qualified projects will be within JobsOhio target industries.
- Only projects located in qualifying communities or businesses owned by an eligible population as defined by JobsOhio will be qualified to receive funds from this program.

- o Definitions:

- Eligible Populations includes:

- Minority-owned (African American, Hispanic, Asian-Pacific and Native American)
 - Women-owned
 - Veteran-owned
 - Disability-owned

The business must either be certified by a recognized state or national organization or otherwise able to verify that at least 51% of the business is owned by the eligible population. Special consideration will be given to businesses with majority ownership in one or more of the eligible populations, even if that majority does not reach 51%. Special consideration will also be given to businesses that have a 50%-50% ownership, with one owner meeting the eligible population requirement.

- Qualifying Communities includes areas indexed at 50 or above on the Economic Innovation Group, Distressed Communities zip code Index map or have a zip code in an area considered eligible by the JobsOhio Vibrant Communities Grant Program.

- Certain zip codes may not meet DCI's thresholds for statistically viable scoring. For those zip codes, eligibility will be determined based on distress score of surrounding scored zip codes.
 - Eligibility data is updated annually by Economic Innovation Group.

- Projects will be reviewed and vetted by the JobsOhio Projects and Finance Team and be reviewed and approved by JobsOhio Leadership.



- Projects will be defined by fixed asset investment, jobs created, jobs retained, payroll created, payroll retained, and training investments.
- Support must be justified, but interstate competition is not required.
- Projects will be evaluated on financial merits and feasibility, however, limited minimum criteria for revenue and jobs are established. Meeting minimum criteria does not guarantee JobsOhio funding support.

Project Metrics:

The following metrics will be captured and tracked for each project, as applicable.

- Fixed Asset Investment
- Jobs Created
- Payroll Created
- Jobs Retained
- Payroll Retained
- Number of Employees Trained
- Training Costs

Project Checklist - Required

- Project is located in a qualified zip code and/or is a business owned by an eligible population
- Project is in targeted JobsOhio industry sector
- Project is financially feasible based on required investments and company financial standing
- Company has at least 1 year of operating history and revenues of at least \$100,000
- Company has annual revenues of less than \$25 million
- Company payroll and/or employment will increase at least 10% as a result of the project. If job and/or payroll growth is limited, special consideration may be given to companies retaining “at risk” jobs.
- The minimum average wage rate shall be set by management. The initial minimum average wage rate is \$10.88/hour.

Project Checklist – Deal Lever Considerations

- Jobs and Payroll Created
- Jobs and Payroll Retained
- At Risk Jobs
- Fixed asset investment and other capital expenses associated with the project
- Identified project funding gap
- Stated local impact, justification for support (interstate competition not required)
- Project helps the company scale and/or expand their sales reach beyond their current market
- Ability of locals to support project
- Relocation of employees within Ohio



- ___ Improvement of operational efficiencies and company longevity/relevance
- ___ Allows company to proceed with investment on quicker timeline
- ___ Company offers basic healthcare benefits
- ___ Other Employee Benefits (Ex: training and education, tuition assistance, childcare).
- ___ Previous state assistance and compliance on past projects.

Eligible Costs

The JOSBG may target fixed asset investment, equipment, infrastructure, and training investment. Eligible costs include but are not limited to the following areas:

- New building construction or expansion, purchase of existing building, lease hold improvements, renovation.
- purchase of new machinery and equipment (M&E). Lease payments for qualified M&E maybe considered.
- Moving and relocation costs of M&E related to the project including freight shipping furniture and fixtures, tooling etc.
- Lease Payments for dedicated business real estate.
- Construction of roads, bridges, traffic control devices, parking lots, and facilities; and utility infrastructure such as natural gas and electric.
- Improvements to rail access.
- Special consideration will be given to certain rolling stock items used solely for business use, including forklifts or similar equipment, however the equipment must remain in Ohio throughout the term of the agreement.
- Information Technology Hardware components, industry specific software including subscription and one time purchase costs, and software development.
 - o Eligible Costs for Software Development include: direct payroll expenses of Grantee, Contractors hired for product development (all Ohio based contractors), required development infrastructure (development tools, equipment), website development costs (online demonstration, trial of platform) limited, should not be majority of expenses and requires explanation from Grantee/ Borrower. Costs will NOT include general administrative costs associated with development costs (office costs, basic computer equipment, furniture fixtures, training), and employee benefits.”
- Utility improvements including electrical infrastructure, substation, redundant power, or gas lines.
- Site Development: site preparation, delineation, wetland mitigation, demolition
- Fees and material costs related to planning and feasibility studies
- Engineering services
- Revitalization Costs:
 - o Demolition



- Environmental remediation including but not limited to removal of petroleum and other hazardous or toxic waste or costs associated with the completion of work by a Certified Professional
- Building renovation
- Asbestos abatement, lead based paint abatement
- Removal and disposal of construction and universal waste
- Environmental testing and lab fees
- Land: purchase of land and right of way
- Trainer Wages, Trainee Wages, and approved vendor costs for job training of new or existing employees.
 - Training in the following categories will be considered eligible:
 - Information Technology
 - Maintenance, skilled trades
 - Leadership skills
 - Product knowledge
 - Quality management and process
 - Industry specific safety
 - Supervisory
 - Technical process
 - Technical training
 - Equipment
 - Materials

Ineligible Costs:

- Bonds or other debt instruments issued by the company to finance completion of the site improvement project shall not be retired or otherwise serviced with grant funds.
- Administrative costs (including salaries and travel expenses)
- Rolling Stock (defined as anything that has to be registered with a government entity and/or travels on a public right of way)
- Contributions and donations by the company to individuals or other organizations
- Costs (fines, penalties, assessments) resulting from violation of or failure to comply with federal, state, and local laws and regulations
- Food, drinks, and entertainment
- Goods and services for personal use by the company officers, directors, board members, and/or employees.
- Long-term housing and personal living expenses for officers, directors, board members and employees
- Long-term housing and personal living expenses for officers, directors, board members, and employees
- Interest on borrowed money
- Organized fundraising



- Taxes from which the company is normally exempt
- Servicing
- General soft skills training
- Training Materials
- Profit-oriented courses
- Preparation or travel time for training
- Transportation
- Safety training required by state or federal agencies
- GED or College Degrees
- Compliance and regulatory training

Project Vetting and Due Diligence

JobsOhio Project Decisions are based primarily on clearly defined project opportunities based on a number of factors including but not limited to job creation and retention, new and retained payroll and fixed- asset investment in identified distressed locations. Meeting all required parameters does not guarantee grant funding. Projects will be reviewed and vetted by the JobsOhio Projects and Finance Team. JOSBG projects are not subject to the JobsOhio Project Evaluation Tool.

Eligible Companies

Eligible companies for JobsOhio programs include companies engaged in JobsOhio's target industry sectors or business functions and typically formed as C-corporations, sole proprietorships, limited liability companies, or S-Corporations. Ineligible companies include but are not limited to retail, residential and/or multi-family uses, entertainment, and other population driven businesses.

JobsOhio programs may be awarded to public entities or non-profit corporations, such as community improvement corporations if JobsOhio determines the grant to be necessary for the project.

The first and primary preference of all JobsOhio programs is to have the company be the employer and recipient of funds. If the recipient of JobsOhio funds is not the company committing to the project metrics, JobsOhio will utilize a single multi-party agreement with all interested parties in the project.

In exceptional circumstances, the recipient of the funds will not be the employer. However, the recipient shall guarantee the metric commitments and will be deemed in default of the grant if the metric commitments are not met.

Entities that have caused or contributed to contamination at the project site are not eligible for revitalization related funds.

Approvals, Agreement, Compliance, and Reporting



Approvals

Projects will be reviewed and vetted by the JobsOhio Projects and Finance Team and approved by JobsOhio Leadership. Projects will not be subject to review by the Independent Review Panel.

Agreement

The grantee will enter into a legal agreement with JobsOhio committing them to outlined project metrics in exchange for grant funds. No funds will be disbursed prior to agreement execution by all applicable parties. No company will be eligible for additional JOIG funding for new projects during the term of their agreement.

Disbursement of Funds

Grant funding from JobsOhio is reimbursement based. Under special circumstances as approved by JobsOhio leadership, proof of payment may follow invoices after the disbursement request. Additional financial guarantees may be required. A company must submit proper documentation and proof of payment for the total grant amount at the time of the final request for funds. Funds must be requested prior to on or before metric evaluation date.

Compliance

Jobs and investment will be measured in a three (3) year window with metric evaluation date to be December 31 of the final year of the project. All project metrics must be attained by the metric evaluation date or funds could be subject to review and claw back as recommended by the Project Performance Review Team. JOSBG projects will have the same Metric Evaluation and Metric Expiration Date.

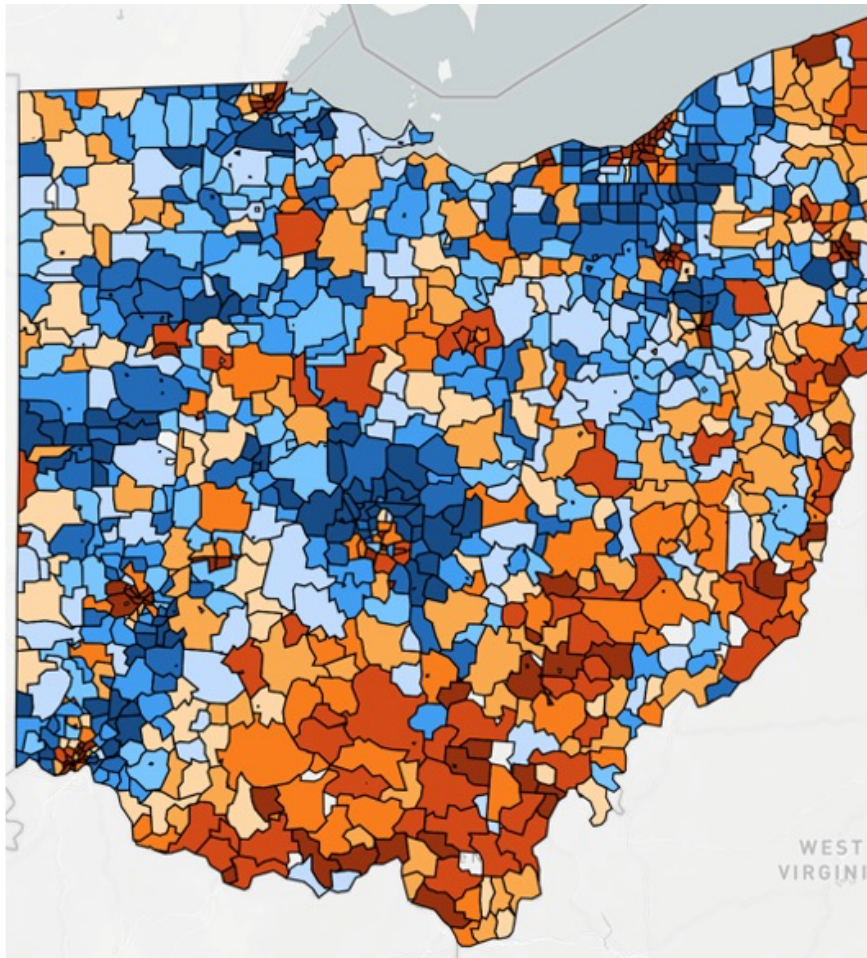
Reporting

Grantees will submit an annual report for each year of the project for a total of three (3) annual reports through the metric expiration date. These reports will be submitted no later than March 1 for each year of reporting.



Appendix
Distressed Geography Reference

Source: Economic Innovation Group, Distressed Communities Index

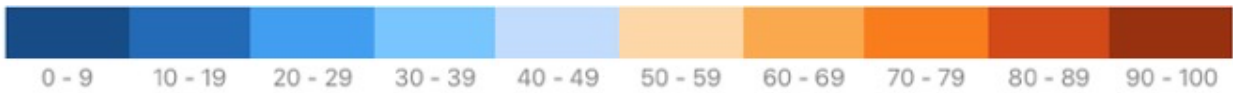


For illustrative purposes only; map is updated annually.

- Prosperous**
- Comfortable**
- Mid-Tier**
- At Risk**
- Distressed**



Distress Score Color Legend



Economic Indicators Employed in Model:

1. Poverty rate
2. Median household income
3. Housing vacancy rate
4. Adults 25-64 not working
5. High School graduation rates
6. Change in job growth or decline
7. Change in the # of business establishments