

GRANTS, TAX CREDITS, AND OTHER FINANCIAL INCENTIVES

There are many types of public entities that offer some kind of incentive structure or package for businesses choosing to expand or relocate to Ohio/Montgomery County/Dayton/Downtown. The people put in charge of these programs have the duty of being good stewards of public dollars, so they will look to maximize their return on investment. This means business-oriented incentives are usually diverted to companies with dozens or hundreds of employees earning high wages that will go back into regional and state coffers through income taxes. There are other types of incentive programs specifically for property owners or those looking to buy property, particularly in distressed or underserved communities.

Below is a roundup of several different types of economic development packages available, including the name of the agency or program and a link where you can find more information. While these may not always be the right solutions for your clients, they can be useful tools for those investigating commercial real estate in downtown.

- The new **First Floor Fund** seeks to activate vacant or underutilized street-level spaces with consumer-based businesses. These Main Street concepts include restaurants, retail shops, brewpubs, salons, galleries, and other types of businesses that would enliven the streets. Businesses apply to the program, managed by **Citywide Development Corp.**, and it can fund up to 50% of the total project cost. The minimum loan amount is **\$50,000** and max is **\$300,000**. A portion of this loan is **forgivable** if payments on the primary loan are made on time. This fund is available for projects in ANY commercial corridor in the City of Dayton, including downtown. <https://citywidedev.com/resources/first-floor-fund/>
- Dayton has 17 census tracts designated as **Opportunity Zones** divided into eight distinct geographies. Dayton's Opportunity Zones were intentionally chosen to maximize proximity to catalytic assets, investments, and institutions that can enhance investment and economic potential. For detailed info on Opportunity Zone Program, visit <https://www.irs.gov/credits-deductions/businesses/opportunity-zones>
- In 2019 and in recognition of the importance of downtown's history, the US Department of Interior placed **Downtown Dayton Historic District** on the National Register of Historic Places identifying 87 buildings that contribute to historic significance and enabling application for **State and Federal Historic Preservation Tax Credits**. <https://www.nps.gov/tps/tax-incentives.htm>
<https://development.ohio.gov/community/redevelopment/ohio-historic-preservation-tax-credit-program>
- The State of Ohio's **Community Reinvestment Area (CRA)** program helps reverse the trends of declining property values. In its 19 designated areas in Dayton, qualifying property improvements may be incentivized by exemption to a portion of taxation on the value of the improvements. <https://development.ohio.gov/business/state-incentives/ohio-community-reinvestment-area>
- **Tax Increment Financing (TIF)** is a public financing method that is used in combination with CRA as a negotiated subsidy for redevelopment, public infrastructure, and related community improvement projects. <https://development.ohio.gov/business/state-incentives/tax-increment-financing>
- Dayton is inherently affordable compared to other Ohio metro area. Used judiciously, the **Low-Income Housing Tax Credit (LIHTC)** program can be used to help increase the supply of quality, affordable rental housing by helping developers offset the costs of rental housing developments for individuals with low- to moderate income. <https://ohiohome.org/ppd/htc.aspx>

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- Managed by CityWide Development Corporation, the Dayton Region New Market Fund allocates, when available, **New Market Tax Credits** for businesses, nonprofit organizations, and commercial real estate projects toward impactful projects. <https://citywidedev.com/resources/new-market-tax-credit/>
- The **Dayton Development Coalition**, through **JobsOhio**, does a good job summarizing state and local incentive programs. Some unique programs offered through the DDC include a new program called the **Inclusion Grant** for eligible projects in distressed communities and/or for businesses owned by underrepresented populations like minorities, women, veterans, and people with disabilities. Support is intended for small to medium-sized companies with annual revenues of up to \$25 million. <https://daytonregion.com/services-businesses/support-businesses/local-incentives>
<https://www.jobsohio.com/programs-services/inclusion/inclusion-grant/>
- **JobsOhio** has other incentive programs, like the economic development grant, but the business needs to conform to the state's identified industries of focus: advanced/additive manufacturing, aerospace, automotive, advanced mobility, energy and chemicals, financial services, Insurtech, food and agribusiness (not restaurants), healthcare, gene therapy, logistics and distribution, military and federal, and technology. <https://www.jobsohio.com/programs-services/incentives/economic-development-grant/>
- **Dayton Montgomery County Port Authority** facilitates economic and community development by providing financing for real estate development, adaptive reuse, public improvements, energy efficiency (PACE), and company/organization expansion. The Port Authority offers a vehicle for capital leases, real estate acquisition, conduit financing, and aggregation of incentive financing packages. <https://daytonport.com/services>
- **Montgomery County's Economic Development/Government Equity (ED/GE) Program**, is a competitive program designed to benefit companies that create and retain local jobs by investing in growth in Montgomery County. Winners of this competitive funding structure typically will employ dozens at high-paying wages to increase the return on investment to the county and its taxpayers.
- **Montgomery County** also has other incentive programs as part of their economic development strategies. Again, the size of the company and the wage points are critical to determine if it's a good investment. There are some micro grants and employee-based incentive programs that could be attractive to employers. <http://www.selectmcohio.com/economic-development/incentives-and-assistance>