

Ohio

The State of Perfect Balance

Project AMP

- Preliminary Incentives -

Proposed State Incentives for the Meigs County AMP Ohio Project:

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| Ohio Water Development Authority (OWDA) – Local Economic Development (LED) Loan | \$3,000,000 |
| Ohio Air Quality Development Authority Bond Financing | TBD |
| Rapid Outreach Grant | \$1,000,000 |
| Roadwork Development Grant | \$1,000,000 |
| Ohio Investment in Training Program | \$150,000 |

Project Assumptions:

- American Municipal Power-Ohio (AMP Ohio) would purchase and construct a 1,000 mega watt fossil fuel electric generation plant near the Village of Racine, Meigs County.
- AMP-Ohio would invest at least \$3.2 billion in the project located near the Village of Racine.
- AMP-Ohio would create ~~150~~¹⁶⁵ new full-time jobs at the project site within the first three years of operation. The average hourly wage rate for all new positions at the project site would be \$29.00, exclusive of benefits.

Grants:

Rapid Outreach Grant

Estimated Value: Up to \$1,000,000

The ODOD is prepared to offer funding from the Rapid Outreach Grant program for up to **\$1,000,000** from the fiscal year 2009 budget (which begins July 1, 2008) to AMP Ohio for its costs associated with on site infrastructure and waste water treatment. The grant will be provided on a reimbursement basis to AMP Ohio. The use of State funds may require the payment of Ohio's prevailing wage rates as determined by the Ohio Department of Commerce, Wage and Hour Bureau. Use of these funds is contingent upon approval by the State Controlling Board.

Roadwork Development (629) Account

Estimated Value: Up to \$1,000,000

Grant funds are available to reduce the cost of roadwork improvements to accommodate the transportation needs associated with your project. The ODOD is prepared to offer a grant from the Roadwork Development (629) Account for up to **\$1,000,000** from the fiscal year 2009 budget (which began July 1, 2008) to AMP Ohio for the public roadwork improvement costs associated with the project site. The funds, to be granted to and administered by the Meigs County Commissioners, must be used for public road improvements and are available on a reimbursement basis only.

Workforce Development:

Ohio Investment in Training Program

Estimated Value: Up to \$150,000

Through the Ohio Investment in Training Program (OITP), the State of Ohio can provide grant funds to a company for its specific training and other workforce development needs. Up to 50 percent of allowable training costs for AMP Ohio's project can be reimbursed, subject to the availability of funds. Eligible costs include instructor fees, materials, and other such expenses. The OITP has committed to fund up to **\$150,000** from fiscal year 2009 funds (which begins July 1, 2008) for the training of AMP Ohio's employees.

Financing:

Ohio Air Quality Development Authority Bond Financing

Estimated Value: Interest savings and potential property tax savings

The Ohio Air Quality Development Authority (OAQDA) is a non-regulatory agency of the State of Ohio, formed to promote air quality management and pollution control in Ohio. The agency is empowered to issue so-called "air quality revenue bonds," which can be used to finance real and tangible personal property investments designed for pollution control functions.

There is no limit on the amount of financing that can be provided through these revenue bonds; however, investments to be financed must be certified by the OAQDA to be related to pollution control or air quality control purposes. Bond financing is available for up to 40 years, and will depend in part upon the useful life of the item being financed. Interest income on OAQDA revenue bonds is exempt from State of Ohio taxes, therefore decreasing the interest rate on the bond financing.

In addition to receiving attractively priced financing for a project, there are several tax-related benefits associated with an OAQDA revenue bond issuance:

- Real and tangible personal property financed with an OAQDA revenue bond must be certified as "pollution control equipment" by the OAQDA; therefore, 100 percent real and tangible personal property designated as thus is exempt from local real and personal property taxes for the entire term of the financing. This provides a substantial financial advantage to a company that is able to demonstrate that a significant portion of its investment is attributable to pollution control mechanisms. Taxable machinery and equipment can thus be defined as tax-exempt "pollution control equipment."
Pollution control equipment is exempt from state and local sales taxes.

**Ohio Water Development Authority (OWDA) –
Local Economic Development (LED) Loan
Estimated Value: Up to \$3,000,000**

Low-interest financing is available for communities to finance eligible water and sewer improvement costs through the LED Loan program. The ODOD is prepared to support the Meigs County Commissioners application for a loan of up to **\$3,000,000** for eligible water and sanitary sewer line extensions associated with this project, subject to the following terms:

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|----------------|---|
| Loan amount: | \$3,000,000 |
| Term: | 15 years |
| Interest rate: | To be fixed at 2 percent |
| Repayment: | Interest only payments in years 1 through 5; principal and interest to be amortized over years 6 through 15 |

Any commitment of financing through the program, as well as rates and terms, will be contingent upon the approval of the OWDA Board. Please note that all work performed using these funds may be subject to payment of prevailing wage.