

# **JOBS FUND UPDATE**

*Budget, Finance, and Economic Development Committee*

*January 28, 2020*



**LEXINGTON**



## Jobs Fund

- What it is:
  - An incentive program to provide funding to businesses who commit to creating and retaining jobs in Lexington.
  - LFUCG established the Jobs Fund in December 2013 with Ordinance No. 153-2013.



## Economic Development Investment Board

- Chief Development Officer or Designee(Chairperson)
- Two Councilmembers
  - Budget, Finance, and Economic Development Chair or Designee
  - Additional Member of the Urban County Council
- Lexington Chamber of Commerce
- Housing Industry Representative
- Two Financial Investment or Banking Industry
- Private Equity/Venture Capital Representative
- Three At-Large Members



## Jobs Fund

- Available incentives:
  - Up to \$50,000 for a grant
  - Up to \$100,000 for a forgivable loan agreement
  - Up to \$250,000 for a loan agreement
  - All have term lengths of up to 10 years



## Jobs Fund

- Eligibility—A company must:
  - Be located in or moving to Lexington
  - Be current with all federal, state, and local taxes
  - Create jobs with average wages greater than or equal to 125% of the county median (\$19.81)
    - This number is adjusted annually by the board and is currently **\$22.00 per hour**
  - Establish and meet job creation requirements
  - Produce a tradeable good or provide a tradeable service
  - Agrees to a pre-determined compliance reporting period



## Jobs Fund

- Current Report of Jobs Fund:
  - **31** applicants; **24** awards
  - Current incentives awarded total **\$2,960,038** of which **\$2,630,038** has been disbursed
  - **226** jobs created
  - New payroll created: **\$13,888,464**
    - **5.28x** incentives disbursed
  - Payroll tax revenue created annually: **\$312,490**
  - Repaid Principal is **\$144,671.47** plus Interest of **\$38,907.37**
  - Collected Penalty Payments of **\$7,059**
  - Collected Shutdown Payment of **\$42,000**
  - Moving away from grants and more towards lower interest loans and forgivable loans as program continues to develop



## Planned 2020 Activities

- Site visits for all participating companies
- In-depth analysis of participant company growth
- Revisions to the board ordinance
- Expansion of board responsibilities

# Questions?



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## Jobs Fund

- Companies Currently Participating in Jobs Fund:
  - Sumitomo, Annulox, Summit Biosciences, Awesome Inc., Belcan, Maketime, Consolo, Archvision/Avail, Fluent, Wearware, Fooji, Pepper Distillery, Identify3D, Ashland, Fusioncorp, Florida Tile, Maketime (second incentive), TEC Biosciences, Legitapps, Thynk Health, Hydra, Space Tango