

ORDINANCE NO. \_\_\_\_-2013

AN ORDINANCE ESTABLISHING A LOCAL ECONOMIC DEVELOPMENT PROGRAM TO BE KNOWN AS THE LEXINGTON JOBS FUND AND PROVIDING FOR . . . ALL EFFECTIVE UPON DATE OF PASSAGE.

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WHEREAS, in order to increase its competitiveness in attracting businesses with good-paying jobs, grow existing businesses and foster entrepreneurship, the Lexington-Fayette Urban County Government must broaden and strengthen its current economic development capabilities and invest additional local resources to supplement existing incentives; and

WHEERAS, the urban county government desires to establish a local economic development incentive program in order to attract or expand the growth of these types of businesses in Lexington-Fayette County, which is to be known as the “Lexington Jobs Fund”; and

WHEREAS, the anticipated economic impact attributable to the Lexington Jobs Fund is significant, and will benefit the citizens and taxpayers of Lexington-Fayette County.

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT:

Section 1 – There is hereby established a local economic development incentive program to provide local funding to certain qualified businesses as further provided herein to otherwise be known as the “Lexington Jobs Fund” (and which may hereinafter be referred to as the “Program”)

Section 2 – The purpose of the Program is to provide certain qualified businesses with local funding through grants, loans, or other agreements in order to promote employment growth in Lexington-Fayette County. The Program is focused on attracting innovative businesses and promoting the expansion of existing businesses. Retail and restaurant-type businesses type businesses are not qualified to receive funding.

Section 3 – The “Economic Development Investment Board” (which may hereinafter be referred to as the “Board”), as created and established in Ordinance No. \_\_\_\_-2013, shall perform the duties provided herein related to the Program.

Section 4 – In order to protect Program funds, those businesses selected for participation must provide evidence of potential commercial success. The receipt of federal Small Business Innovation Research (SBIR) funding, federal Small Business Technology Transfer (STTR) funding, or other qualified federal or state funding through a similar process in which the viability of the business has been substantially reviewed will be considered evidence of potential success; however, Program funding will not necessarily be limited to those businesses.

Section 5 – A priority will be placed on providing funding to those businesses which are primarily involved in advanced manufacturing, technology, professional shared service operations, or healthcare, or which have or will be locating their primary base of operations or headquarters in Lexington-Fayette County.

Section 6 – All funds awarded pursuant to the Program shall be solely at the discretion of the Urban County Government and shall be in the form of a loan agreement, grant agreement, or similar agreement. Each funding agreement must be approved by the Urban County Council. A business shall only eligible for a maximum of one type of Program funding at any given time. This does not preclude a business from applying for an amendment to its existing funding agreement.

Section 7 – The typical maximum amount of any funding agreement will not exceed \$100,000 for a grant agreement and \$250,000.00 for a loan or other agreement. Upon the recommendation of the Chief Development Officer and the Economic Development Investment Board, and the final approval of the Urban County Council, the funding may exceed the above amounts.

Section 8 - All funding will be made subject to an agreement by the business that a minimum number of jobs will be created and that those jobs will continue to exist for the period of time provided in agreement. All loans are to be repayable to the Urban County Government within ten (10) years. All grants or other agreements shall include provision(s) requiring the repayment of some or all of the funds in the event that the terms of the agreement are not fulfilled.

Section 9 - The Economic Development Investment Board, in conjunction with the Chief Development Officer, will draft and present to the Urban County Council for consideration and adoption recommended Program guidelines and/or policies.

Section 10 – (a) Any business interested in obtaining funding must submit a Program funding application to the Chief Development Officer for initial review. The application shall contain the minimum criteria ultimately established by the Urban County Government through the adoption of Program guidelines and/or policies.

(b) If the Program funding application meets the minimum criteria, the Chief Development Officer will make a recommendation to the Board regarding the application.

(c) The applicant will be provided the opportunity to present additional information to the Board regarding its application. The Board will consider and review the application and any other relevant information provided regarding the application.

(d) The Board will make a recommendation to approve the application, amend the application, or deny the application.

(e) If the Board determines that the Program funding application should be partially or entirely funded the appropriate administrative steps will be taken to present the recommendation and the appropriate Program funding agreement to the Urban County Council for consideration.

Section 11 – The Lexington Jobs Fund Program shall primarily be administered by the Chief Development Officer with appropriate assistance from other departments or division of the Urban Government as necessary.

Section 12 – (a) In order to provide funding to the Lexington Jobs Program, the Department of Finance is hereby authorized and directed to designate and create an appropriate fund which will be used to fund the Program.

(b) All loan payments or collections of funds made to the Urban County Government pursuant to a Program Fund agreement shall be placed into the above Program fund so that there will be a continual funding source for the Program.

Section 13 - If any section, subsection, sentence, clause, phrase, or portion of this Ordinance is for any reason held invalid or unlawful by a court of competent jurisdiction, such portion shall be deemed a separate, distinct and independent provision and such holding shall not affect the validity of the remaining portions hereof.

Section 14 - That this ordinance shall become effective upon the date of its passage.

PASSED URBAN COUNTY COUNCIL:

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MAYOR

ATTEST:

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CLERK OF URBAN COUNTY COUNCIL

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