

JOBS FUND UPDATE

Budget, Finance, and Economic Development Committee

September 20, 2022



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
- Administered by the Economic Development Investment Board



Jobs Fund

- Available incentives:
 - Up to \$100,000 for a forgivable loan agreement
 - Up to \$250,000 for a loan agreement
 - Up to \$50,000 for grants (EDIB is recommending removal)

- 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 (\$23.50 as of January 2022)
 - This number is adjusted annually by the board and is currently **\$24.00 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 – typically 10 years



Jobs Fund

- Current Report of Jobs Fund:
 - **29 awards, 25 active**
 - Current incentives awarded total **\$3.63 million**
 - **281 jobs committed**
 - New payroll committed: **\$15.3 million**
 - **4.21x** incentives disbursed
 - Cost per job created: **\$12,918**
 - Repaid Principal is **\$514,019** plus Interest of **\$91,006**

Questions?

