



**LEXINGTON**

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# Jobs Fund update

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## Background

- Ordinance 153-2013: Created Lexington Jobs Fund in December 2013
- Purpose:
  - Increase competitiveness in attracting businesses, grow existing businesses
  - Create and retain jobs in Lexington
- Low interest and forgivable loans
- Administered by the Economic Development Investment Board
  - Established by Ordinance 152-2013 (previously the “Industrial Revenue/Housing Bond Commission”) in December 2013





## Jobs Fund Guidelines

- Provides incentive funding for businesses willing to commit to creating and retaining a minimum number of jobs for a specific duration in Lexington-Fayette County.
- Emphasis on early stage start up companies, advanced manufacturing, technology, professional shared service operations, and healthcare
- Loans and forgivable loans with funding limits:
  - Up to \$100,000: Forgivable loan
  - Up to \$250,000: Loan
- Repayable (or forgivable) within 10 years
  - Quarterly payments and annual reporting required under incentive agreement





## Jobs Fund Guidelines

- Eligibility— 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
    - This number is adjusted annually by the board and is currently **\$28.00 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 Summary

- Current Report of Jobs Fund:
  - **31 awards, 22 active**
  - **321 jobs committed**
  - **295 jobs created**
  - Expected Average wage **\$33.60**
  - Actual average wage **\$35.99**





## Jobs fund summary

- Current incentives awarded total **\$4,067,538.00**
- New payroll committed: **\$17.8 million**
- Repaid Principal is **\$1,077,656.26** plus Interest of **\$169,282.53**
- ***4.3:1 return on investment based on payroll created to incentive dollar***
- ***\$1,641,957.34 currently available for award.***





## Jobs Fund Overview – Program Allocations and Revenues

*Total Allocations and Revenues - \$5,709,495.34*

	Amount
Allocated by Council	\$4,370,000.00
Interest Payments	\$169,282.53
Repaid Principal	\$1,077,656.26
Application Fees	\$10,785.63
Compliance Penalties	\$8,300.73
Investment Income	\$73,470.19





## Jobs Fund Overview – Agreement Type

*Total Approved Agreements - \$4,067,538*

Type	Amount
Grants	\$820,000
Loans	\$2,257,500
Forgivable Loans	\$990,038







## Jobs Fund Overview – Agreement Status

*Total Approved Agreements - \$4,067,538*

Type	Amount
Closed	\$640,000
Undrawn	\$330,000
Active	\$3,097,538





## Jobs Fund Companies

- Sumitomo
- Medsignals
- Annulox
- Summit Biosciences
- Awesome U
- Belcan
- Maketime
- EIE
- Consolo
- Archvision/Avail
- Fluent
- WearWare
- Fooji
- Pepper Distillery
- Identify 3d/Materialise
- Ashland/Valvoline
- Fusion Corp/ Gamify
- Florida Tile
- TEC biosciences
- LegitApps
- Hanna Resource
- Hydra
- Space Tango
- Thynk Health
- Water Warriors
- Childhood Neurology
- Ralph VR
- Silver Fern
- Helios Aerosystems
- Space Tango 2
- Simply Worx





## Jobs Fund Payments & Compliance

- 11 Jobs Fund recipients currently making payments (Fooji, Avail, Childhood neurology, Hydra, Water Warriors, Wearware, Silver Fern, Space Tango 2, Simply Worx, Thynkhealth, Fusion)
- Space Tango, Helios, and Legit Apps have each completed full repayment of their loans.
- Compliance efforts: active job funds recipients have made payments on time and are up to date with compliance reports.



# Questions?



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