

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