

# **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?



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