

## City of Jordan Jobs for Fees Program

**Dated November 20, 2012**

### Summary

The following criteria are intended to provide guidelines for the City of Jordan and Jordan Economic Development Authority to establish a Jobs for Fees Program with the intention of providing assistance to qualifying businesses. The term "City" means the City of Jordan and Jordan Economic Development Authority (EDA). The term "project" means the property with respect to which the program would be provided.

**Program Purpose:** To assist existing businesses with expansion and attract new businesses to Jordan whose local operations will help expand the City's economy and maintain/grow the City's tax base. Program will be offered over a five-year period, assuming funding is available and program is maintained, with results to be evaluated prior to renewing funding commitments.

**How it Works:** The Program uses a two-tiered evaluation process to:

1. Determine eligibility for incentive financing; and
2. To determine the amount of program funds for which an organization may be eligible.

**Eligible Businesses:** Existing businesses with planned expansions and job creation within the City and new businesses that would relocate and bring new employment opportunities to the City.

**Eligible Costs:** Funds may be used by the business as reimbursement for actual incurred City fees associated with construction and/or development costs of the project.

**Financing:** The EDA will initially contribute \$75,000 to the Program fund.

**Amount Available:** Amounts available to applicants under this Program are determined based on an evaluation of positive economic impact and the number of full time (or full time equivalent) non-seasonal jobs that the organization will maintain or create within the City of Jordan. Awards will be made on a first-come, first-serve basis with an anticipated annual limit of \$100,000, subject to program funding and number of project applicants.

All program funding will be structured as a forgivable loan. Maximum annual loan amounts are anticipated to be up to \$50,000, and will be subject to the actual permitting fee amounts for each project.

**Application Process:** After the EDA Board and City Council approve the Program guidelines, the EDA will accept applications for the program and score the applications according to the criteria adopted by the Board.

## Purpose

The purpose of this program is to establish the City's position on the use of financial assistance through a business retention and recruitment program that will attract new and existing businesses to the City of Jordan resulting in an expansion of the City's economy and stabilization of the City tax base.

This program shall be used as a guide in the processing and review of applications requesting financial assistance related to business expansion and job within the City. It is the expressed intent of the City to minimize the risk and amount of business assistance to a project and to leverage its public dollars to maximize private sector funding and job growth. The fundamental purpose of the program is to encourage desirable private development or redevelopment within the City.

The City will approve or reject requests for business assistance on a case by case basis taking into consideration established policies, project criteria, and the project's demonstrated public purpose. Meeting all policy criteria does not guarantee approval of the requested business assistance. The City maintains its ability to approve or deny the request at its discretion.

## Public Purpose Objectives

The City will consider the use of the program which demonstrate the achievement of one or more of the following public purpose objectives:

1. To retain local jobs and/or increase the number and diversity of jobs that offer stable employment and/or attractive wages and benefits.
2. To enhance and/or diversify the City's economic base.
3. To encourage additional unsubsidized private (re)development.
4. To remove blight and/or encourage (re)development of commercial and industrial areas.

## Policy

1. The City recognizes that the creation of good paying jobs is a desirable goal which benefits the community. Nevertheless, not all projects that receive public assistance may meet the public purpose objectives solely by virtue of job creation. In some instances, high job creation requirements and high wage level requirements may be unrealistic in the face of larger economic forces of influence and the financial and competitive circumstances of an individual business. In determining the requirements for a project under consideration for assistance, the determination of the number of jobs to be created and the wage levels therefore will be guided by the following principles and criteria:
  - a. The evaluation of projects will take into consideration the project's importance in and benefit to the community from all perspectives, including created or retained jobs.
  - b. If a particular project does not involve the creation of jobs, but is nonetheless found to be worthy of support, assistance may be approved without any specific job or wage goals if permitted by applicable law.
  - c. In cases where the objective is the retention of existing jobs, the recipient of the forgivable loan will be required to provide evidence which demonstrates that the loss of those jobs is specific and demonstrable.
  - d. The setting of wage and job goals will be determined by (i) wage rates required by law, (ii) local economic conditions, (iii) external economic forces over which neither the City nor the recipient of the subsidy has control, (iv) the financial resources of the recipient and (v) the competitive environment in which the recipient's business exists.
2. Because it is not possible to anticipate all the needs and requirements of every type of project and the ever-changing needs of the community and in order to retain the flexibility necessary to respond to all proposed projects, the City retains the right to approve projects which may vary from the principles and criteria set forth herein.
3. Policy Positions:
  - a. Business assistance shall be provided as a forgivable loan.
  - b. Business assistance shall not be provided to developers and projects that cannot adequately demonstrate an ability to complete the proposed project on time and on budget.

## Eligible Recipients

**Mandatory Criteria: All projects must comply with the following criteria:**

1. *Wage Policy*. If the project results in the creation of any jobs, the wage for each part-time and full-time job created must be in accordance with the City's business subsidy policy.
2. *Economic Feasibility*. The recipient must demonstrate to the satisfaction of the City that it has adequate financing for the project and that the project will be completed in a timely fashion.

**Project Evaluation Criteria: The project review and evaluation criteria include the following:**

1. Jobs and Wages
  - a. *New Jobs*. The minimum net number of direct full time equivalent jobs to be created or retained by the proposed project for a period of at least two years from the estimated benefit date.
  - b. *Payroll*. The minimum annual net payroll to be generated at the end of the third anniversary date of the estimated benefit date.
2. Tax Base
  - a. *Increase in Tax Base*. The net increase in property taxes estimated to be generated by the project in the first full year of operation.
3. Land Use
  - a. *Compliance with Comprehensive or Other Plans*. Whether the project is more compatible with the comprehensive plan than other permitted uses for the property. For example, the project may involve a "clean" industry such as a technology or service business which is preferred over other permitted uses.
  - b. *Marginal Property*. Whether the project is located on property which needs but is not likely to be developed or redeveloped because of blight or other adverse conditions of the property. For example property may be so blighted that the cost of making land ready for redevelopment exceeds the property's fair market value.
  - c. *Design and/or Other Amenities*. Whether, as a result of the business subsidy, the project will include design and/or amenity features not otherwise required by law. For example, the project may, at the request of the City, include landscaping, open space, or public trails which serve a public purpose but are not required by law.
4. Impact on Existing and Future Public Investment
  - a. *Utilization of Existing Infrastructure Investment*. Whether and to what extent (a) the project will utilize existing public

infrastructure capacity and (b) the project will require additional publicly funded infrastructure investments.

- b. *Direct Monetary Return on Public Investment*. Arrangements made or to be made for the City to receive a direct monetary return on its investment in the project.

#### 5. Economic Development

- a. *Leveraged Funds*. For every dollar of business subsidy to be provided for the project, the minimum amount of private funds which will be applied towards the capital cost of the project.
- b. *Spin Off Development*. The dollar amount of non-subsidized development the project is expected to generate in the surrounding area and the need for and likelihood of such spin off development.
- c. *Growth Potential*. Based on recipient's market studies and plans for expansion, whether and to what extent the project is expected within five years of its completion, be expanded to produce a net increase of full time equivalent jobs and of payroll, over and above the minimum net increase in jobs and payroll described in section 1 above.

#### 6. Quality of Life

- a. *Community Services*. Whether the project will provide services in the community and the need for such services. For example, the project may provide health services, retail convenience services such as a nearby grocery store, or social services needed in the community.
- b. *Natural Environment*. Whether the project will add to, or detract from, the environment. The natural environment surrounding our community plays an integral part in the local tourist and forest based economy. It is a reflection of what is important to the community - clean air and water, beautiful scenery, recreational opportunities, and a strong desire to pass along these attributes to future generations.

#### 7. Other

- a. *Other Factors*. Depending on the nature of the project, such other factors as the City may deem relevant in evaluating the project and the business subsidy proposed for it.

The Program uses a two-tiered evaluation process to determine:

1. eligibility for assistance; and
2. the amount of Program funds for which a business would be eligible.

#### Threshold Criteria

First, a business and project must meet the following criteria:

- Must have a record of revenue growth/positive earnings over the preceding three years.
- Must be committed to construct, purchase or lease for minimum 3 years
- That the project is consistent with the City’s comprehensive plan, land use plan, and zoning ordinances.

#### Evaluation Criteria

Second, a firm must achieve a minimum score of 9 points to qualify under a set of “Evaluation Criteria” detailed in Exhibit B.

### Permissible Uses of Funds

Funds are to be used by the business as reimbursement for actual City fees associated with construction and/or development costs.

### Additional Considerations

The City will give consideration to the issues listed below in determining whether to provide assistance to a project:

1. The City may consider the requirements of any other business subsidy received, or to be received, from a grantor other than the City.
2. Any assistance provided pursuant to this program shall be subject to current business subsidy requirements.
3. Businesses receiving assistance shall have two years from construction commencement date to meet the criterion included in Exhibit B.
4. The City may consider all businesses applying for assistance and available funding in each calendar year of the program.

### Application Process

1. Applicant submits a Business Assistance Application (Exhibit A) to the City.
2. Staff reviews the application and completes the Application Review Worksheet (Exhibit B/C).
3. Staff submits results of the Worksheet for review by the EDA.
4. EDA reviews proposal, provides comments, and makes an advisory recommendation to the City Council on denial or approval of the request within 30 days.
5. If advisory approval is granted, staff prepares all necessary notices, resolutions and certificates.
6. City Council reviews proposal and holds necessary meeting on the proposed project to consider the advisory recommendation(s) and forgivable loan approval or deny business request.

# Exhibit A

## Business Assistance Application

**A. APPLICANT INFORMATION**

Name of Corporation/Partnership \_\_\_\_\_  
Address \_\_\_\_\_  
Primary Contact \_\_\_\_\_  
Address \_\_\_\_\_  
Phone \_\_\_\_\_ Fax \_\_\_\_\_ E-mail \_\_\_\_\_

Have you been, or are you currently, involved in any bankruptcy proceedings or lawsuits related to other development projects with which you have been involved? If yes, please provide an explanation.

Yes  No

On a separate sheet, please provide the following:

- Brief description of the corporation/partnership's business, including history, principal product or service, etc. **Attach as Part 1.**
- List names of officers and shareholders/partners with more than five percent (5%) interest in the corporation/partnership. **Attach as Part 2.**
- Brief description of the proposed project. **Attach as Part 3.**

Attorney Name \_\_\_\_\_  
Address \_\_\_\_\_  
Phone \_\_\_\_\_ Fax \_\_\_\_\_ E-mail \_\_\_\_\_

Contractor Name \_\_\_\_\_  
Address \_\_\_\_\_  
Phone \_\_\_\_\_ Fax \_\_\_\_\_ E-mail \_\_\_\_\_

Engineer Name \_\_\_\_\_  
Address \_\_\_\_\_  
Phone \_\_\_\_\_ Fax \_\_\_\_\_ E-mail \_\_\_\_\_

Architect Name \_\_\_\_\_  
Address \_\_\_\_\_  
Phone \_\_\_\_\_ Fax \_\_\_\_\_ E-mail \_\_\_\_\_

**B. PROJECT INFORMATION**

1. The project will be: (Check all that apply)

- Industrial: (  New Construction  Redevelopment/Rehab  Expansion )  
 Office/research facility: (  New Construction  Redevelopment/Rehab  Expansion )  
 Commercial: (  New Construction  Redevelopment/Rehab  Expansion )  
 Housing: (  New Construction  Redevelopment/Rehab  Expansion )  
 Other \_\_\_\_\_

2. The project will be:  Owner Occupied  Leased Space
- If leased space, please attach a list of names and addresses of future tenants and indicate the status of commitments or lease agreements. **Attach as necessary**

3. Project Address \_\_\_\_\_
- Include Legal Description and PID number(s). **Attach as necessary**

4. Site Plan Attached:  Yes  No

5. Current Real Estate Taxes on Project Site: \$ \_\_\_\_\_

6. Estimated Real Estate Taxes Upon Completion: \$ \_\_\_\_\_

7. Construction Start Date: \_\_\_\_\_

8. Construction Completion Date: \_\_\_\_\_

**C. PUBLIC PURPOSE OBJECTIVES**

It is the policy of the City of Jordan that the business assistance should result in a public benefit as identified in the items below. Please indicate how the proposed project will accomplish this by checking the appropriate boxes. **Attach additional narrative as necessary.**

- 1. To retain local jobs and/or increase the number and diversity of jobs that offer stable employment and/or attractive wages and benefits.
- 2. To enhance and/or diversify the City's economic base.
- 3. To encourage additional unsubsidized private (re)development.
- 4. To remove blight and/or encourage (re)development of commercial and industrial areas.

**D. SOURCES & USES OF FUNDS**

<u>SOURCES</u>	<u>AMOUNT</u>
Bank Loan	\$ _____
Owner Equity	\$ _____
City Forgivable Loan	\$ _____
Other Loans/Grants	\$ _____
Other	\$ _____
<b>TOTAL</b>	<b>\$ _____</b>

<u>USES</u>	<u>AMOUNT</u>
Land Acquisition	\$ _____
Site Development	\$ _____
Construction	\$ _____
Machinery & Equipment	\$ _____
Architectural/Engineering Fees	\$ _____
Permitting Fees	\$ _____
Other/Contingencies	\$ _____
<b>TOTAL</b>	\$ _____

Total amount of business assistance requested:                   \$ \_\_\_\_\_

**E. ADDITIONAL DOCUMENTATION AND CHECKLIST**

Applicants will also be required to provide the following documentation.  
All personal financial information will be kept private and confidential.

- 1. Two year financial projections, or if leased space, include a 3-year operating pro-forma.
- 2. Letter of commitment from other sources of financing, stating terms and conditions of their participation in the project.
- 3. Administrative fee of \$1,000. In addition to defraying the cost of staff time, the fee will be used to pay costs associated with processing this request for financial assistance such as legal, engineering and financial analysis. The City reserves the right to stop the processing of the request until additional fees are paid should the original amount be insufficient to pay such costs. That portion which remains unspent, if any, will be returned only if the project is denied approval.

The undersigned certifies that all information provided in this application is true and correct to the best of the undersigned's knowledge. The undersigned authorizes the City of Jordan to check credit references, verify financial and other information, and share this information with other political subdivisions as needed. The undersigned also agrees to provide any additional information as may be requested by the City after the filing of this application.

Applicant Name \_\_\_\_\_ Date \_\_\_\_\_

By \_\_\_\_\_

Its \_\_\_\_\_

**EXHIBIT B**  
**Business Assistance Review Worksheet**

# BUSINESS ASSISTANCE REVIEW WORKSHEET

TO BE COMPLETED BY APPLICANT AND CITY STAFF

**A. The project meets which of the following objectives as set forth in the Program:**

- 1. To retain local jobs and/or increase the number and diversity of jobs that offer stable employment and/or attractive wages and benefits.
- 2. To enhance and/or diversify the City's economic base.
- 3. To encourage additional unsubsidized private (re)development.
- 4. To remove blight and/or encourage (re)development of commercial and industrial areas.

**B. Ratio Of Business Assistance To New Jobs Created:**

\$ \_\_\_\_\_ Business assistance requested  
 \_\_\_\_\_ Number of net *new* jobs created  
 \$ \_\_\_\_\_ of business assist. per net *new* job created

**C. Ratio of Private to Public Investment in Project:**

**Points:**

\$ \_\_\_\_\_ Private Investment  
 \$ \_\_\_\_\_ Public Investment  
 \_\_\_\_\_ Ratio Private : Public Financing

5:1	5
4:1	4
3:1	3
2:1	2
Less than 2:1	1

**D. Job Creation:**

**Points:**

\_\_\_\_\_ Net *new* jobs (minimum 40 hours per week with benefits)

1.5 Points received for each *new* job

**E. Wage Level of jobs created:**

**Points:**

Average hourly wage  
 Of *new* jobs \_\_\_\_\_

Over \$32/hour	14
\$30-32/hour	12
\$26-29/hour	10
\$22-25/hour	8
\$18-21/hour	6
\$14-17/hour	4
\$10-13/hour	2
Under \$10/hour	1

## BUSINESS ASSISTANCE REVIEW WORKSHEET

**F. Project size:**

The project will result in the construction  
of \_\_\_\_\_ square feet

**Points:**

12,500+	5
9,000+	4
6,000+	3
2,500+	2
2,500 or less	1

**Points:** \_\_\_\_\_

**G. Type of Project:**

\_\_\_\_\_ 100% Owner Occupied  
 \_\_\_\_\_ Mix Owner Occupied & Investment  
 \_\_\_\_\_ Investment Property

3
2
1

**H. Likelihood that the project will result in unsubsidized, spin-off development:**

\_\_\_\_\_ High  
 \_\_\_\_\_ Moderate  
 \_\_\_\_\_ Low

**Points:**

5
3
1

**Total Points:** \_\_\_\_\_

Overall project analysis:	\$15,100-\$50,000	33+ points
	\$5,001-15,000	20 - 33 points
	\$2,500-\$5,000	10 - 19 points
	Not Eligible	0 - 9 points

*Please note the EDA and City will review each applicant and project based on the criterion listed above. All such reviews are based on the decisions of the EDA and City and not all projects may qualify for assistance. The EDA and City reserve the right to recommend funding in an amount appropriate based on the ratings, and in some cases reduced or no funding may occur.*