

Legistar No. 200519

GAINESVILLE CRA DISTRICT JOB CREATION INCENTIVE POLICY

1. PURPOSE

The program will incentivize the creation and maintenance of full time employment within the Gainesville Community Redevelopment Areas by offering a grant payment for companies that create or relocate a minimum of 5 full-time jobs within a Redevelopment Area. The grant is paid out over a 2-year period after the employees have been hired and/or relocated.

2. OBJECTIVES

The objective of the Gainesville CRA District Job Creation Incentive is to alleviate blight and economic distress. Companies creating or relocating jobs to the Redevelopment Area will help to lower vacancy rates, increase employment levels, raise the tax base, diversify economic opportunities and promote redevelopment goals. The encouragement of private enterprise will help the Redevelopment Areas become self-sustaining in the long term and serves to implement the Redevelopment Plans for each of the Redevelopment Areas within Gainesville.

The program is consistent with meeting redevelopment objectives in each Redevelopment Area, specifically:

College Park/University Heights:

3.1.5 Objective 5 - Private Investment

3.1.7 Objective 7 - Creation of Mixed-Use Technology Hubs

3.1.10 Objective 10 - Funding, Financing, Management, and Promotion

Downtown:

Objectives for Economic Development, Commercial and Business Activity

Eastside:

Objective 1 - Economic Development and Innovation

Objective 2 - Commercial Activity

Objective 8 - Funding, Financing, Management, and Promotion

Fifth Avenue/Pleasant Street:

3.1.2 Objective 2 - Redevelopment Opportunity Sites

3.1.8 Objective 8 - Funding, Financing, Management and Promotion

3. ELIGIBILITY:

To be eligible for the program, a company must operate in one of the following targeted industries:

- Research and Development in the physical, engineering, computer or life sciences
- Light assembly, packaging, and fabrication associated with research and development in the physical, engineering, computer or life sciences
- Software, computing and technology
- Light Manufacturing

- General Office

These industries are targeted for this incentive because companies in this industry are high-growth and have a high multiplier in terms of ancillary impacts to the local economy.

The company must create and/or relocate a minimum of 5 eligible jobs within the Redevelopment Area within 12-months of approval of the incentive. The company must maintain the number of jobs created and/or relocated within the Redevelopment Area for at least a 2-year period to receive the total grant payment.

The company must own its building or hold a lease for with a minimum term of 3 years after the date of the application. The property (both land and building) occupied by the company must be taxable on the property tax roll (i.e., not exempt from property tax.)

The jobs must be created and/or relocated to the company's facilities in the Redevelopment Area.

Companies may layer the Gainesville CRA Job Creation Incentive with other state and local incentives.

Companies that have previously been approved for a grant under this program must wait until after the first payment of that grant has been paid before reapplying for a subsequent Job Creation Incentive Policy Grant. Companies are eligible to reapply no more frequently than every 12 months, provided that the company is not in default under this Policy or its Incentive Agreement. Companies are subject to a lifetime maximum of 2 applications and no company may ever receive more than a total of \$250,000 under this program.

4. ELIGIBLE JOBS

The company must currently be located either: 1) outside of the Redevelopment Area with plans to relocate into a Redevelopment Area, or 2) in a local business incubator within a Redevelopment Area, with plans to graduate from the incubator into a location within a Redevelopment Area. The incentive is not available to companies relocating into a business incubator within a Redevelopment Area.

Eligible jobs shall be permanent positions carrying a fulltime classification (minimum 30 to 40 hours per week). The wages paid for any eligible job must be reported by the company to the IRS for the position to count as an eligible job for the purposes of this incentive.

New jobs must result in a net increase in the number of employees of the company. Documentation should be provided to substantiate the relocated positions.

5. INCENTIVE CALCULATION

***A company that brings 30 or more jobs qualifies at the average wage, and a company that brings 60 or more jobs qualifies at 70% of the average.**

The incentive award calculation is based on the number of eligible jobs created/relocated within the Redevelopment Area and the annual wages of the employee hired or relocated.

For each job paying $\geq 70\%$ of the average annual wage and $< 100\%$ of the average annual wage for Alachua County, the incentive is \$1,500 per job, payable as \$750 each year over a two year period. ***In order to qualify for this incentive you must bring at least 60 jobs into the district**

For each job paying $\geq 100\%$ of the average annual wage and $< 130\%$ of the average annual wage for Alachua County, the incentive is \$2,500 per job, payable as \$1,250 each year over a two year period. ***In order to qualify for this incentive you must bring at least 30 jobs into the district**

For each job paying $\geq 130\%$ of the average annual and $< 160\%$ of the average annual wage for Alachua County, the incentive is \$3,500 per job, payable as \$1,750 each year over a two year period. ***In order to qualify for this incentive you must bring at least 5 jobs into the district.**

For each job paying $\geq 160\%$ or more of the average annual wage for Alachua County, the incentive is \$4,500 per job, payable as \$2,250 each year over a two year period. ***In order to qualify for this incentive you must bring at least 5 jobs into the district.**

The maximum total award per application is \$250,000 to be paid over a two year period, with a maximum of \$125,000 paid each year. A company may reapply to the program twice, but may receive no more than \$250,000 total. **The program is subject to the availability of funds.**

6. INCENTIVE PAYMENT

The eligible jobs must be in place within 12-months of grant approval.

Companies that fail to create and/or relocate a minimum of 5 eligible jobs within 12-months of grant approval will forgo any incentive under this program and will result in the automatic termination of the Incentive Agreement.

A company is eligible for the first incentive payment after 12-months from the date of grant approval. Payment will be made for each eligible job that is in existence at the 12-month mark, subject to the maximum approved incentive amount.

A company is eligible for the final incentive payment after 24-months from the date of grant approval. Final payment will be for each eligible job that was maintained from the first 12-month period through 24 months from the initial application.

Companies must request payment and provide documentation to the CRA within 90 days of the 12-month and 24-month anniversary of the grant approval. When requesting payment the company will need to submit to the CRA:

- Copy of current executed lease or deed
- Copy of most recent W2 for each eligible job hired/relocated, or other appropriate documentation to verify number of job, length of service and salary
- Cover letter requesting payment of the incentive
- Completed City of Gainesville Vendor Application, if not already on file with the CRA

The CRA may request a site-visit prior to each payment.

7. GRANT PROCESS

A. The company completes and submits an application to the CRA. Applications shall contain the following information:

- Summary of the company, including an overview of the business and growth

projections

- Details on the jobs that will be created and/or relocated, including job descriptions, salary information and timeline of hiring and/or relocation
 - Dollar amount of incentive requested and justification for the request
- B. Applications will be time and date stamped and will be evaluated and awarded on a first, come first serve basis. Grants are subject to availability of funding in the budget of each Redevelopment Area.
- C. Application is evaluated by CRA staff and the company is notified of award decision. Award decisions will be presented to the CRA Board and the appropriate Advisory Board for informational purposes only.
- D. Upon approval, the application executed by both the CRA Director and the company shall serve as the Incentive Agreement. The date the CRA Director signs the application indicating approval shall be the date of grant approval.
- E. Within 12-months of the date of grant approval, the company shall hire or relocate a minimum of 5 eligible jobs.
- F. Within 90 days after the 12-month anniversary of the date of grant approval, the company shall request the first grant payment and provide required documentation. Once documentation has been verified by the CRA, payment is made in made via electronic funds transfer within 30 days of verification.
- G. Within 90 days after the 24-month anniversary of the date of grant approval, the company shall request the final grant payment and provide required closeout documentation. Once documentation has been verified by the CRA, payment is made via electronic funds transfer within 30 days of verification and the Incentive Agreement expires.

8. NONDISCRIMINATION:

The Gainesville CRA does not discriminate on the basis of sexual orientation, race, color, gender, age, religion, national origin, marital status, disability or gender identity and will not tolerate any such discrimination by or against its employees or citizens utilizing CRA services, programs, and activities.