

## **Guidelines for Incentives Bourbon County Economic Development**

(Not including Neighborhood Revitalization Program, Business Incubator Space or Small Business Technical Assistance Support)

The following set of guidelines shall govern economic development incentives in Bourbon County. This set of guidelines shall be subject to periodic review and revision.

### **BASIC PHILOSOPHY**

Our vision at Bourbon County is a safe, healthy, vibrant community. Our focus is on creating an environment where people can enjoy and come to expect a higher standard in quality of life. This means building capacity and infrastructure to incentivize tourism, encourage rural revitalization, build healthy communities and create business friendly environments.

The County Commissioner and Economic Development Department are partners in working to ensure that both new and existing businesses can be, where allowable under law and these guidelines, supported in their efforts to expand or create quality, sustainable business in the County.

Economic Development's role is to grow commercial and business development in order to stimulate above average wage job creation, build commercial tax base, and create new value. These guidelines will be used to help assess business opportunities and make recommendations to the County Commission. The resultant commercial tax base will be used to fund critical public services in order to improve the quality of life for County residents.

A critical component necessary for forward progress is an incentive program which is clearly understood by all. It is intended to provide specific guidance, while retaining a degree of flexibility in the interest of encouraging unique approaches to business development in the best interests of the community at large.

The premise of an incentive program is that it can offer a new or expanding company financial or other assistance associated with a start-up operation or expansion project, thereby freeing up business capital at a time when it is most urgently needed for the many expenses associated with expansion, relocation or start-up. In return, if a company makes an investment in a new or expanded operation, the locality stands to benefit from an increased tax base, and expanded jobs and payroll in the community. Consequently, the annual payroll impact will be considered as part of any potential incentive proposal.

Some, although not necessarily all, of the types of incentive offerings that may be applied under this program are as follows:

1. Payment in Lieu of Taxes
2. Assistance with utility fees and charges
3. Delivery of infrastructure to a site or building (water, sewer, roads, fiber optic cable, etc.)
4. Write-down of the cost of buildings or sites (reduced price)
5. Lease rates that may be below market value or graduated over a period of time
6. Assistance with feasibility studies, site plans, engineering costs, or grading
7. Performance grants in anticipation of and/or based on actual net new revenues

### **GUIDELINES**

1. The program shall be equally available to new or existing business
2. The eligible business will pay at minimum above county average wages for the specific sector.
3. Consideration shall be given to matching State grants and policy alignment
4. The amount of any incentive shall be calculated on the basis of a five-year projected return on investment. That is, the following criteria shall apply:
  - a. The projected new tax revenue shall be estimated based upon the company's investment in facility, equipment, vehicles, and other locally taxable items.
  - b. New jobs provided by the project shall be reviewed according to the number and quality of the positions and the annual payroll. Quality of the positions shall be evaluated based on full-time versus part-time and wages to be paid compared to regional averages for similar positions.
  - c. Recognizing that companies may invest at much greater capital investment levels than the minimum requirement as set forth in these guidelines, yet may need to hire a lower number of employees in the initial phase, the Economic Development Director shall have the flexibility to consider the nature of any incentive as it relates to investment, jobs and growth of the business on an case-by-case basis irrespective of the terms listed above.

## ELIGIBILITY

This program may be made available to any trading sector provided that the criteria stated above meets the appropriate levels for investment and job provision. Each project shall be treated on a case-by case basis. Particular emphasis shall be placed on business and industry types that align with State and regional plans and policy for economic development.

## MECHANISM FOR FUNDING

The funding, provision of infrastructure, or other assistance may be made in full within the first year or disbursed over a period of several years. Financial grants will be performance based.

## PERFORMANCE AGREEMENT/ANNUAL REPORTING

There shall be a requirement for a performance agreement signed by both the company and the County Commissioners and said agreement shall provide for a means of recovery in the case of default. There shall also be an annual reporting requirement so that any significant deviation from the original proposal can be addressed promptly and any funds not yet advanced withheld.

Failure to meet the benchmarks stated in the agreement shall constitute default unless otherwise modified by the Economic Development Director and approved by the County Commissioners.

## FUNDING FOR INCENTIVE PROGRAM

The funding for this program shall be made available from either economic development funds, capital funds set aside for such purposes, or supplemental appropriations. It is understood that all grants and all payments associated with such grants, shall be subject to the availability of funds at any given time.